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U.S. ADHERENCE TO THE BERNE CONVENTION

HEARINGS

BEFORE THE

SUBCOMMITTEE ON
PATENTS, COPYRIGHTS AND TRADEMARKS

OF THE

COMMITTEE ON THE JUDICIARY
UNITED STATES SENATE

NINETY-NINTH CONGRESS

FIRST AND SECOND SESSIONS

ON

THE IMPLICATIONS, BOTH DOMESTIC AND INTERNATIONAL, OF U.S. ADHERENCE TO THE INTERNATIONAL UNION FOR THE PROTECTION OF LITERARY AND ARTISTIC WORKS

MAY 16, 1985, AND APRIL 15, 1986

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U.S. ADHERENCE TO THE BERNE CONVENTION

THURSDAY, MAY 16, 1985

U.S. Senate,
Subcommittee on Patents,
Copyrights and Trademarks,
Committee on the Judiciary,
Washington, DC.

The subcommittee met at 9:40 a.m., in room SR-385, Russell Senate Office Building, Hon. Charles McC. Mathias, Jr. (chairman of the subcommittee) presiding.

Also present: Senators Thurmond and Leahy.

Staff present: Ralph Oman, chief counsel; Randolph Collins, professional staff; Pamela Batstone, chief clerk; Debbie Owen, general counsel to Senator Thurmond; John Podesta, counsel to Senator Leahy; Beverly McKittrick, counsel to Senator Laxalt; and Karl Hampe, staff assistant to Senator Simpson.

OPENING STATEMENT OF HON. CHARLES McC. MATHIAS, JR., A U.S. SENATOR FROM THE STATE OF MARYLAND; CHAIRMAN, SUBCOMMITTEE ON PATENTS, COPYRIGHTS AND TRADEMARKS

Senator Mathias. The subcommittee will come to order.

The Subcommittee on Patents, Copyrights and Trademarks is meeting today to examine the implications, both domestic and international, of U.S. adherence to the International Union for the Protection of Literary and Artistic Works, commonly known as the Berne Convention. There is a bittersweet quality to the meeting of this subcommittee in this year, 1985. Fifty years ago on Friday, April 19, 1935, the U.S. Senate actually ratified the Berne Convention without a single dissenting vote. The following Monday the Senate moved by unanimous consent to reconsider the vote and the treaty was returned to the Executive Calendar to await action on the implementing legislation. That proves a point that I have made over the years: Things that pass by unanimous consent in the Senate are usually suspect. [Laughter.]

Those that pass after a vigorous debate or by a 60-to-40 or 65-to-35 vote are apt to be much sounder legislation.

In any event, here we are, 50 years later almost to the day, and the world's greatest deliberative body is still talking about the Berne Convention. I am happy that the latest installment of the continuing debate is now underway, and I am very happy to see the distinguished group of participants that have gathered here today.

This hearing will be the first of a series. We have asked witnesses from the public sector to testify. In later hearings the Subcommittee will hear from private sector representatives, public interest groups, and academicians.

The subcommittee wants to know what changes, if any, would be necessary in U.S. law to bring the United States in conformation with the Berne Convention. We want to know what advantages would accrue to the United States if we join the Berne Union. If there are disadvantages, we need to hear about them as well.

It is a personal pleasure to welcome Dr. Arpad Bogsch as the first witness. He has flown in from the headquarters of the World Intellectual Property Organization in Geneva to be with us today, and I know that other witnesses will understand if we give him an extra 5 minutes, in spite of the otherwise inviolable 5-minute rule. [Laughter.]

Unless there is objection, we will include all statements that are submitted in the hearing record. We will keep the record open for 3 weeks to give all witnesses time to extend their remarks and to respond to written questions.

First, let me yield to the distinguished chairman of the full committee, the Senator from South Carolina, Mr. Thurmond.

OPENING STATEMENT OF HON. STROM THURMOND, A U.S. SENATOR FROM THE STATE OF SOUTH CAROLINA

The **Chairman**. Thank you very much, Mr. Chairman. First I want to commend you for holding this hearing. I have to open the Senate in just a few minutes, but I wanted to come by and let you know my deep interest in cooperating with you, and I want to especially welcome Dr. Bogsch, whom the Judiciary Committee honored 2 years ago with a laudatory resolution. He has flown in from the headquarters of the World Intellectual Property Organization in Geneva and has come here at considerable time and expense, and we deeply appreciate it. We want to express our appreciation to him.

I think this can be a very helpful hearing, and I shall take pleasure in reading the proceedings at a later time.

I will have to leave now to go and open the Senate. Mr. Chairman, again, I thank you for holding this hearing and what you are doing in this important matter.

Senator **Mathias**. Mr. Chairman, I appreciate your being here. I think it is appropriate that you are here, because Mr. Quigg, in his paper, makes an interesting historical point. It was the States of South Carolina and Maryland alone among the 13 original colonies——

The **Chairman**. Two of the greatest. [Laughter.]

Senator **Mathias**. Absolutely, and they have proven their greatness by providing a very high level of copyright protection in their State laws, even before the intellectual property protections contemplated by the Constitution. We are always out in front, Mr. Chairman.

The **Chairman**. Thank you, sir.

You know, after the Revolutionary War ended in 1783 with the signing of the Treaty of Paris, this country went for 4 years without a central government and the Constitution was written in 1787. During that time the colonies under the Treaty of Paris, the name was changed from colonies to States. Our States had two Presidents during that 4-year period. It is a very interesting period in history, and I sometimes think it would be well if our young people today would review just what we went through at that time. South Carolina and Maryland were two of the leaders in the whole Nation, even that far back, and we are proud of their history and we are proud of what has been accomplished. We are proud of what our country has accomplished.

And thank you again, Mr. Chairman, for your kindness.

Senator MATHIAS. Thank you, Mr. Chairman.

Let me also recognize the distinguished Senator from Vermont. He has shown a high degree of interest in the subject of the protection of intellectual property and provided great leadership for this committee.

Senator LEAHY. Thank you, Mr. Chairman.

I too am glad to see our distinguished witness here today and am sorry that I cannot provide better weather for him.

Senator MATHIAS. We wanted him to feel at home.

OPENING STATEMENT OF HON. PATRICK J. LEAHY, A U.S. SENATOR FROM THE STATE OF VERMONT

Senator LEAHY. I have been in Berne when the weather has been similar to this. I know what you mean.

The Berne Convention, formulated in 1886, is the world's oldest multilateral copyright convention. The United States did not ratify Berne because the differences with our own domestic copyright law seemed too wide to bridge. But the world has changed a great deal in that 100 years, and today transportation technology has raised piracy to a high art. America's economic future will depend more and more on creative imagination and less and less on the production of heavy industrial exports.

If the world moves toward general indifference about the protection of innovation and creativity, the United States stands to lose a great deal. We have this need to balance proprietary interests on the one hand and consumer interests on the other, and the virtual revolution of new technology has heightened the need for public confidence and fairness in that balance.

I think what we might do during the hearing will help the degree of that confidence. So we will begin our view of the Berne Convention with the conviction that the International Copyright Committee has a deep and real stake in a regime of copyright law with significant elements of uniformity, but that the United States has a need, no less important, to balance the rights of creators with those of consumers.

I realize we are short on time, so I will put my whole statement in the record. I want to conclude by saying: we are considering whether the interest of the American participation in Berne outweighs the ongoing needs of the U.S. copyright owners and consumers under the current American laws permitted by the UCC. I think that is why we are fortunate in having Dr. Bogsch here. For more than three decades, Doctor, you have been the central figure in promoting international protection of intellectual property. You are sort of an international intellectual property yourself in that regard. [Laughter.]

We do not have anybody more knowledgeable, Mr. Chairman, to begin these hearings. So this member of little knowledge will shut up and let somebody of great knowledge speak.

[The following statement was submitted for the record:]

PREPARED STATEMENT OF SENATOR PATRICK J. LEAHY

WE ARE ABOUT TO TAKE UP A QUESTION THAT HAS REALLY BEEN BEFORE US FOR NEARLY 100 YEARS, AND YET HAS NEVER BEEN MORE TIMELY.

THE BERNE CONVENTION WAS FORMULATED IN 1886 AND IS THE WORLD'S OLDEST MULTILATERAL COPYRIGHT CONVENTION. THE UNITED STATES HAS NOT RATIFIED BERNE, PRINCIPALLY BECAUSE DIFFERENCES WITH OUR OWN DOMESTIC COPYRIGHT LAW HAVE ALWAYS SEEMED TOO WIDE TO BRIDGE AND TOO IMPORTANT TO ELIMINATE BY CONFORMING TO THIS INTERNATIONAL MODEL, EVEN AS IT HAS EVOLVED OVER TIME.

BUT IF THE BERNE CONVENTION HAS CHANGED SINCE 1886, THE WORLD AROUND IT HAS CHANGED MUCH MORE. AND ONE OF THE REASONS TODAY'S HEARING IS SO IMPORTANT IS THE RENEWED FOCUS IN THE UNITED STATES AND ELSEWHERE ON PROTECTING CREATIVITY AS THE MOST IMPORTANT COMMODITY IN OUR GLOBAL COMMUNITY.

A HUNDRED YEARS AGO, THE TARGET OF COPYRIGHT LAW WAS THE PROTECTION OF LITERARY WORKS IN A WORLD WHERE THE FACT OF AUTHORSHIP AND THE ACT OF INFRINGEMENT WERE BOTH WELL-DEFINED.

TODAY TRANSPORTATION AND TECHNOLOGY HAVE RAISED PIRACY TO A HIGH ART AT THE VERY MOMENT IN HISTORY WHEN AMERICA'S ECONOMIC FUTURE WILL SURELY DEPEND MORE AND MORE ON CREATIVE IMAGINATION, AND LESS AND LESS ON THE PRODUCTION OF HEAVY INDUSTRIAL EXPORTS.

THE EXPORT VALUE OF AMERICAN MOTION PICTURES NOW EXCEEDS THE VALUE OF OUR STEEL EXPORTS, AND WHILE LOW-COST CLOTHING AND HIGH-TECHNOLOGY PRODUCTS CAN BE PRODUCED MORE CHEAPLY IN THE FAR EAST, WE STILL LEAD THE WORLD IN FASHIONING NEW AND ATTRACTIVE STYLES AND THE VERY LATEST IN STATE-OF-THE-ART TECHNOLOGY.

IF THE WORLD MOVES TOWARD GENERAL INDIFFERENCE ABOUT THE

PROTECTION OF INNOVATION AND CREATIVITY, THE UNITED STATES WILL STAND TO LOSE A GREAT DEAL.

AND WHILE THE BERNE CONVENTION SPEAKS ONLY OF COPYRIGHT PROTECTION, IT IS THE OLDEST INSTRUMENT OF ITS KIND IN THE WORLD AND AN INDICATOR OF THE WILLINGNESS OF THE INTERNATIONAL COMMUNITY TO TAKE SERIOUSLY THE PROBLEM OF PROTECTING CREATIVITY.

SOME OF THE HISTORIC OBJECTIONS TO ADHERENCE TO THE BERNE CONVENTION WERE BASED ON A PERCEPTION THAT IT MAY HAVE WEIGHED THE INTERESTS OF COPYRIGHT OWNERS TOO HEAVILY AND THE INTERESTS OF USERS AND THE PUBLIC TOO LIGHTLY.

THE NEED TO BALANCE PROPRIETARY INTERESTS ON THE ONE HAND AND CONSUMER INTERESTS ON THE OTHER IS A FUNDAMENTAL ONE, AND THE VIRTUAL REVOLUTION IN NEW TECHNOLOGY HAS HEIGHTENED THE NEED FOR PUBLIC CONFIDENCE IN THE FAIRNESS OF THAT BALANCING.

THE COMPUTER CHIP PROTECTION LEGISLATION WHICH WE ADOPTED LAST YEAR IS A VERY GOOD EXAMPLE OF THE PROBLEM. THIS IS TECHNOLOGY THAT HAS FOREVER CHANGED THE WAY WE STORE AND TRANSMIT INFORMATION, THE WAY WE DESIGN TOOLS, THE WAY WE ANALYZE DATA FROM OUTER SPACE, AND THE WAY WE CONDUCT NEARLY ALL OF OUR TRANSACTIONS IN BUSINESS.

YET BEFORE LAST YEAR NO ONE COULD SAY FOR CERTAIN WHETHER THIS REVOLUTIONARY DEVICE FELL WITHIN THE AMBIT OF COPYRIGHT OR PATENT LAW. WAS THE COMPUTER CHIP A LITERARY WORK OR AN INVENTION?

IN THE END WE HAD TO FASHION A NEW REGIME OF PROTECTION THAT REWARDED INNOVATION BUT DID NOT NEGLECT THE INTERESTS OF BOTH THOSE WHO NEEDED ACCESS TO THE MOST MODERN IMPROVEMENTS IN CHIP TECHNOLOGY AND THOSE WHO WOULD FACE UNDUE RISKS IF THEY BROUGHT SIMILAR, BUT NON-INFRINGING TECHNOLOGY INTO THE MARKETPLACE.

WE HAVEN'T SEEN THE END OF PROPRIETARY RIGHTS PROBLEMS

GENERATED BY NEW TECHNOLOGY. WE'VE HARDLY SEEN THE BEGINNING. AND SO WE WILL BEGIN OUR VIEW OF THE BERNE CONVENTION WITH THE CONVICTION THAT THE INTERNATIONAL COMMUNITY HAS A DEEP AND REAL STAKE -- AS NEVER BEFORE -- IN A REGIME OF COPYRIGHT LAW WITH SIGNIFICANT ELEMENTS OF UNIFORMITY, BUT THAT THE UNITED STATES HAS A NEED -- NO LESS IMPORTANT -- TO BALANCE THE RIGHTS OF CREATORS WITH THOSE OF CONSUMERS.

THERE ARE SOME SPECIFIC ISSUES GERMANE TO THE TEXT OF THE BERNE CONVENTION THAT WE OUGHT TO CONSIDER.

OUR PRESENT COPYRIGHT LAW REQUIRES NOTICE THAT THE WORK IS UNDER COPYRIGHT, AND EVEN AFTER THE 1976 REWRITE OF OUR LAW, THIS PROVISION STILL IS INCONSISTENT WITH THE BERNE CONVENTION PROHIBITION AGAINST SUCH FORMALITIES.

THE REQUIREMENT THAT A WORK BE REGISTERED WITH THE COPYRIGHT OFFICE PRIOR TO BRINGING AN INFRINGEMENT SUIT IS VERY LIKELY PROHIBITED BY THE CONVENTION.

A THIRD REQUIREMENT IN OUR LAW THAT IS INCONSISTENT WITH BERNE IS THE SO-CALLED MANUFACTURING CLAUSE -- THE REQUIREMENT THAT CERTAIN WORKS PRODUCED BY AMERICANS BE FIRST PRINTED DOMESTICALLY. WHEN THIS CLAUSE WAS DUE TO EXPIRE IN 1982 WE LEARNED THAT THERE WERE MANY WHO CONSIDERED THIS PROVISION ESSENTIAL TO THE HEALTH OF THE AMERICAN BOOK PRINTING INDUSTRY.

FINALLY, OUR LAW CONTAINS A REQUIREMENT THAT COPYRIGHT OWNERS DEPOSIT TWO COPIES OF THEIR WORK WITH THE LIBRARY OF CONGRESS.

THIS DEPOSIT REQUIREMENT IS CRITICAL TO THE MAINTENANCE BY THE LIBRARY OF CONGRESS OF A COMPLETE COLLECTION OF ALL COPYRIGHTED WORKS. ANY CHANGE IN OUR LAW THAT WOULD THREATEN THIS COMPLETENESS WOULD FRANKLY HAVE TO HAVE VERY STRONG JUSTIFICATION.

THE UNITED STATES HAS ADHERED TO THE UNIFORM COPYRIGHT CONVENTION, ANOTHER IMPORTANT MULTILATERAL COPYRIGHT TREATY, WHICH ALLOWS ALL FOUR OF THESE SPECIAL PROVISIONS IN THE UNITED STATES COPYRIGHT LAW.

AND WHAT WE MUST NOW CONSIDER IS WHETHER THE INTERESTS OF AMERICAN PARTICIPATION IN BERNE OUTWEIGH THE ONGOING NEEDS OF U. S. COPYRIGHT OWNERS AND CONSUMERS UNDER THE CURRENT AMERICAN LAW, AS PERMITTED BY THE UCC.

THE COMMITTEE IS FORTUNATE TO BEGIN THESE HEARINGS WITH THE TESTIMONY OF DR. ARPAD BOGSCH, THE DIRECTOR GENERAL OF THE WORLD INTELLECTUAL PROPERTY ORGANIZATION. FOR MORE THAN THREE DECADES, DR. BOGSCH HAS BEEN A CENTRAL FIGURE IN PROMOTING INTERNATIONAL PROTECTION OF INTELLECTUAL PROPERTY. WE CAN BEGIN THESE HEARINGS WITH NO ONE MORE KNOWLEDGEABLE THAN DR. BOGSCH ABOUT THE POTENTIAL BENEFITS WHICH CAN RESULT FROM THE U. S. JOINING THE BERNE UNION AS WELL AS THE MANY LEGAL OBSTACLES WE WOULD FACE IF WE CHOSE TO MOVE IN THAT DIRECTION. I AM LOOKING FORWARD TO HIS TESTIMONY.

Senator MATHIAS. Thank you very much, Senator Leahy. You speak with becoming modesty, as befits a Vermonter. [Laughter.]

Senator LEAHY. I am not sure—I want to read that in the record a couple of times [laughter] before I find out whether this Yankee has just been pilloried or not on that one.

Senator MATHIAS. No; it was not said in jest at all. I know that Winston Churchill once heard Clement Atley praised as a modest man and said yes, he had a great deal to be modest about. [Laughter.]

But I was thinking instead of those sterling Yankee virtues of frugality and humility and industry.

Dr. Bogsch.

STATEMENT OF DR. ARPAD BOGSCH, DIRECTOR GENERAL, WORLD INTELLECTUAL PROPERTY ORGANIZATION, GENEVA, SWITZERLAND

Dr. BOGSCH. Mr. Chairman, Senator Mathias, Senator Leahy, I thank you most sincerely for having invited me to testify before your subcommittee.

No instance in the United States of America is more important to the World Intellectual Property Organization than your subcommittee since it is here, essentially, that the treaty-making efforts of the World Intellectual Property Organization must receive approval. It is your approval that makes the fruits of those efforts applicable in that country in the world which produces, and exports, the highest number of inventions, trademarks, and literary and artistic works eligible for intellectual property protection.

In this testimony, I shall try to answer the question why the United States of America should become a party to the Berne Convention for the Protection of Literary and Artistic Works. Why should it become a party to the Berne Convention when it already is a party to another multilateral treaty in the field of copyright, the Universal Copyright Convention?

These questions are all the more justified since the two multilateral treaties have, with the exception of the United States of America and the Soviet Union that are outside the Berne Convention, almost the same membership and since the basic principle is the same in both conventions; namely, that each contracting country must grant the same protection to the nationals of the other contracting countries as it does, under its national law, to its own nationals.

But there is a difference, and a very important difference, between the two conventions. Although each convention contains rules on what the minimum protection to be granted by each country is, the level of that minimum is much higher in the Berne Convention than what it is in the Universal Copyright Convention. For example, the Berne Convention requires the recognition of rights in the case of broadcasting and the right of making motion pictures of published works. These rights are not part of the minimum under the Universal Copyright Convention. This is why, for example, the Soviet Union, a country party to the Universal Copyright Convention but not to the Berne Convention, has a clear right not to grant such rights to United States works.

Another difference between the two conventions is that whereas the Universal Copyright Convention is administered by Unesco, the Berne Convention is administered by the World Intellectual Property Organization.

Now, I shall try to answer the question I started out with.

The main reason for which the United States of America should, in my opinion, decide to become a member of the Berne Convention is that, as a member of that convention, the United States will be able to exercise leadership in the world for a strong, high-level copyright protection. It will be able to exercise leadership that such a strong protection continue and be developed, where necessary, particularly in the event of changing technological circumstances.

Copyright is for the most part in private hands. It is private property par excellence. In every country, much of the works protected by copyright are of foreign origin. In many countries, private property, particularly if belonging to foreigners, is not viewed with much sympathy by governments. Firm political will and a strong overall position are needed to preserve the respective copyright.

The Berne Convention is a coalition of states determined to have such respect for copyright. But the strongest potential member of such a coalition, the United States of America, is not a member of the coalition. Thus, the result that one can expect from U.S. membership in the Berne Convention is that a high level of copyright protection, in international relations, can be maintained. This is of utmost importance for the U.S. authors and U.S. motion picture, broadcasting, publishing and other copyright industries, since much of their income comes, or should come, from abroad.

Accession by the United States of America to the Berne Convention will not change the present situation. The balance of payment of the country will not change. Foreigners will not have any more rights than heretofore, and American users of the foreign works protected by copyright will not have to pay more for them than they pay now. Neither will American owners of copyright earn, overnight, more abroad than they do today. The latter will, but only in the future, change favorably if other countries imitate the United States of America, become members of the Berne Convention and will, consequently, have to raise the level of protection they give now to foreigners.

Furthermore, for joining the Berne Convention, the United States of America will not have to raise the present level of the protection it grants. The present protection will remain the same in its economic impact as it is today even if the only provision that seems to be, at least theoretically, at a lower level than required by the Berne Convention—the rights in juke box performances—would be upgraded. But even such upgrading does not seem to be indispensable.

On the other hand, once the United States of America is a party to the Berne Convention, it will have a much better moral standing to preach to foreign countries which, for example, are the centers of counterfeit, piratical copies of protected works. Today such countries may say to the United States of America: "Why do you preach to us of Berne-level protection when you, yourself, are not a party to the Berne Convention?"

It is not true, as everybody knows it, that the United States of America is a party only to the Universal Copyright Convention as is the Soviet Union, because it has a level of protection that is compatible only with the low level required by the Universal Copyright Convention. The level of protection in the United States of America is much higher than what is required by the Universal Copyright Convention. It is on the level required by the Berne Convention.

The only real difference—and that has nothing to do with the level of protection—that makes the U.S. law incompatible with the Berne Convention consists in the notice and registration requirements. One can solve that in two ways: make compliance with those two requirements voluntary rather than mandatory—for any work, or make compliance with those requirements voluntary only for foreign works that would have to be protected under the Berne Convention.

I am convinced that even if the former course is chosen, the flow of free copies of works to the Library of Congress will continue, and the number of registrations in the Copyright Office will continue, so that no one will lose his or her job there because of the advantages that deposit and registration have even without being conditions of copyright protection.

And if the second course is chosen, namely, if only foreign works coming under the Berne Convention were to be excepted, my prediction is even more likely to be correct since foreign works that would come under the Berne Convention only represent a small fraction, I am told some 5 percent, of the total deposits and registrations in the Copyright Office.

In conclusion, Mr. Chairman, may I mention that there is no admission procedure in the Berne Convention. If a country wishes to adhere to it, it deposits its instrument of accession with the Director General of WIPO. Nobody is consulted, and nobody has to agree. No foreign government and no intergovernmental body is asked to, or is making spontaneously, a judgment concerning the compatibility of the national law of the new member with the Berne Convention. The sole judge of this question is the new member itself. In the case of U.S. accession, only the United States of America is judge.

I am convinced that the present 76 countries party to the Berne Convention would enthusiastically welcome U.S. accession. They believe in a high-level copyright protection. They want a strong ally to be able to continue on that level. They see such an ally in the United States of America. And, of course, as already stated, the United States itself is vitally interested in a high level of protection worldwide.

These, Mr. Chairman, would be the reasons that in my humble opinion militate in favor of U.S. accession to the Berne Convention.

Thank you.

Senator **Mathias**. Thank you very much, Dr. Bogsch. Public perception is sometimes a curious thing. The way the public perceives a title or a name is very important to how willing the public is in accepting a concept or an idea. To some people perhaps the very name World Intellectual Property Organization may seem threatening.

Can you dispel that fear? Can you give us some perception of what the World Intellectual Property Organization really does and the treaties that it administers?

Dr. **Bogsch**. First, I want to say that I fully agree with you that public perception is a curious thing. I can testify that on the international scene that is also so.

The World Intellectual Property Organization is an organization of governments. The members are governments. There are some 130 members, and the secretariat of this organization in Geneva, which is about 300 employees, is in charge of administering a dozen multilateral treaties which deal with the protection of intellectual property.

The Paris Convention is the most important one in the field of industrial property covering inventions and trademarks, and the Berne Convention is the most important one in the field of copyright. There are several subconventions which protect various specific aspects.

WIPO is a forum in which the countries meet and discuss what to do in order to take into account the changing economic and social circumstances in the world. It is a forum in which countries try to influence each other to extend or resist the extension of protection in cases where new phenomena, technological phenomena, make the direct application of existing treaties and conventions somewhat more necessary.

In the field of copyright, we have a host of such problems which were caused, or are being caused, by computers, cable television, copying of television broadcasts on video tapes, and the easy piracy of all kinds of manufactured products that include artistic works.

In the field of industrial property the problems exist in the biotechnological field, if biotechnological inventions should be patentable and to what extent, in the field of computer programs and in that of integrated circuits.

It is in the WIPO meetings, of which there are about 20, 30 each year, that the delegates meet and discuss what they can do about those problems and whether the time is ripe to make an international treaty.

Finally, I would say that, in those meetings, WIPO takes very great care to always invite representatives of the private sector. Our organization is very different from most of the other intergovernmental organizations in the fact that the subject matter it deals with is private property. It is a subject matter, therefore, whose handling requires the constant presence and influence of those who in their everyday lives protect, or do their best to ensure that these private properties be protected, not only in their own countries but worldwide.

Senator MATHIAS. From your answer I would conclude that the definition of intellectual property has been expanding.

Dr. BOGSCH. As we use the term, sir, it has two branches. One is industrial property, which is patents, trademarks, industrial designs, and the like; and the second branch, equally important, is copyright, that is literary and artistic works. And we have also a category called neighboring rights, neighboring on copyright, the rights of performing artists in particular.

Senator MATHIAS. In the 18th century, copyright, for example, would have been primarily concerned with the printed works, and today it contemplates other areas of intellectual creation. It has proven to be elastic and accommodating to changing times and conditions.

Dr. BOGSCH. This is perfectly correct. It started out with printing, and then it had to assimilate first phonograph records, then radio broadcasting, then television broadcasting, and today those other fields which I just mentioned.

Senator MATHIAS. What would be the view of the other members of the Berne Convention toward the adherence of the United States? Would it be welcomed or would it meet with opposition?

Dr. BOGSCH. They ardently desire it. They would welcome it without qualification.

Senator MATHIAS. Why would this be so?

Dr. BOGSCH. Because they think that in today's world where private property, particularly if this private property is in the hands of foreigners, which is the case in the field of copyright in many countries, the constant attacks against private property in general, and in the form of intellectual property in particular, needs the strongest possible alliance to resist such an erosion. And they think that, naturally, the strongest possible ally in this field is the

United States of America because of its economic power and because of its deep belief in private property.

Senator **Mathias**. I think both of those assumptions are correct, and I would agree with them.

Do you think that the other member states understand not only that the United States, as part of the act of adherence, will have to make some changes in its domestic copyright laws, but also that we expect current member states to exercise some flexibility in accepting features of our law as being compatible with the present Paris text of the Berne Convention?

Dr. **Bogsch**. Yes, sir. I think that you can count on a certain amount of flexibility, and I will say as to your first assumption that changes in the U.S. law that are necessary, in my view, are minimal, if any, with the exception of what I said about formalities. I think you can count on the flexibility of the other countries. The more so as the most important countries among them, the Western European countries, your main partners, are all in the Universal Copyright Convention. They are used to the American system and they live with it. They have accepted it under the Universal Copyright Convention, so they really have not much reason to ask for something different, as they have agreed to it already.

Senator **Mathias**. Because you follow these things very closely, you know that the controversial subject here has been, and I think still is, the manufacturing clause.

Dr. **Bogsch**. The manufacturing clause as it is today affects only very marginally foreigners, and if what is written in the law will become a reality; namely, that it expires next year, the question will disappear by itself. But let us say that it is prolonged. I think that there, too, one can envisage a solution, if at all necessary; namely, that those residual, very rare cases where non-American authors could be affected by the manufacturing clause would be exempted. That would have no influence, in my view, at all on the interest of the printing industry of the United States of America.

Senator **Mathias**. Before I yield to Senator Leahy, let me ask you one more question.

You have said that the other member states would like to see the United States adhere to the Berne Convention because we have a strong tradition of respect for intellectual property rights and because of the strength of our economy and the effect it has on the rest of the world.

Is there also a hidden motive? Is there any feeling that this will give them greater access to the U.S. market and result in any further drain on our own economy? We already have a record trade deficit, a record net accounts deficit. Is this going to accelerate or exaggerate that problem?

Dr. **Bogsch**. I am deeply convinced that it is not the case. I think the economic situation of the world member countries is not going to change. They are not going to get more protection in the United States than they have today and, therefore, there is no reason to believe it will change at all the balance of payments of the United States. I do not think there is a hidden motive of this kind or of any kind.

Senator **Mathias**. Let me yield to Senator Leahy.

Senator **Leahy**. Thank you, Mr. Chairman.

Doctor, the United States, as has already been indicated, is a member of WIPO as a result of adherence to the Paris Convention.

Does the U.S. Government exercise any influence or world leadership on issues before the Berne Union by virtue of our role in WIPO?

Dr. **Bogsch**. The answer is no, sir, because the United States is in a curious position in the field of international copyright relations. It is not a member of Unesco, which is an organization also in the U.N. system of organizations which deals with copyright. Of course, the United States remains a member of UCC, but the program activities of Unesco, which are funded by the Unesco budget and are the consequence of a program which is voted by the General Assembly of Unesco, are activities in which the United States would have no influence any more, no direct influence. And in the World Intellectual Property Organization, although you are a member, the fact that the United States is not a member of the Berne Convention, in which the substance of copyright is discussed, means that in copyright you have no influence. It is in the governing bodies of the Berne Union—this is the club of the countries, members of the Berne Convention—that the substantive discussions take place. In such organs of the Berne Union, which deal with copyright, the United States is not a member. Once a member, the United States will have the ideal solution: It will have a forum in which it can exercise leadership in international matters of copyright.

Thank you.

Senator **Leahy**. Are the current compulsory licenses contained in the U.S. laws consistent with Berne?

Dr. **Bogsch**. I think the only real problem that we have is with juke boxes. But the others are compatible with the Berne Convention. The Berne Convention admits compulsory licenses for phonograph records and in the field of broadcasting. These are two fields in which you have compulsory licenses in the U.S. law.

As far as full protection in case of juke boxes is concerned, I would say it could be regarded as a matter of not sufficient importance from an economic viewpoint, so that nobody would be very excited about it, even if you don't change your law.

Senator **Leahy**. Except the juke box may be changing over before long to being a videotape machine, especially video discs, either using video discs or something of that nature.

Dr. **Bogsch**. Then, I think, you would have to change your law, and if you are a member of the Berne Convention, I hope you would not do so. But as the juke box provision stands today, it deals with a technology, is based on a technology, which is likely to be replaced to a great extent and in the near future.

Senator **Leahy**. That is what I mean. We see in the Congress a number of proposals to create new laws, new compulsory licenses, especially in the home taping area, and I wonder if we adhere to Berne does that limit the congressional ability or options to create or not create new compulsory licenses?

Dr. **Bogsch**. In the home taping area, I think there is no impediment in the Berne Convention, because that area is not falling necessarily under the prohibitions of the Berne Convention.

In other areas, my personal conviction is that having the least possible provisions on compulsory licenses is best. One should have the most possible contractual solutions. Particularly, an international convention should not allow too much possibility for compulsory licenses because not all the countries are like the United States of America where, even under compulsory licenses, the author can obtain a relative or complete satisfaction.

But if you delegate to the government of each country to decide what are fair conditions under a compulsory license, the government of X country may decide to give merely lipservice to the compulsory license. So, internationally, I think compulsory licensing should be resisted as much as possible. It goes against the basic concept of private property.

Senator **Leahy**. You are saying you would limit the ability of Congress to act for the United States in this area?

Dr. **Bogsch**. Outside of broadcasting and outside of making phonograph records, yes, sir.

Senator **Leahy**. I gave an opening statement and talked about what the world was, or alluded to what the world was at the time that the Berne Convention was formulated, a time very different from today, and now today in a world in which one or two nations can flood the world with pirated copies of copyrighted works. Is the Berne Convention really the right solution today?

Dr. **Bogsch**. Well, it is not the only answer to fight piratical copies and importation of piratical goods. Every country has an arsenal of weapons at its disposal, but I think one of the most basic ones is copyright, thanks to the Berne Convention.

Senator **Leahy**. But are there changes that are necessary in the Berne Convention? I was thinking about Singapore, which could and does flood a lot of the world with pirated works.

I was amazed, just walking through some of the huge stores in Singapore and seeing all the pirated material there which shows up in Europe, Canada, the United States, and just about everywhere else. Are there some changes or possible changes in Berne that would make it more effective against piracy, and thus also make it more attractive to a country like the United States?

Dr. **Bogsch**. I do not think so. There is no likelihood that the Berne Convention will be revised in the foreseeable future, but I think its present provisions would make such a practice that you have described in Singapore completely illegal. I think the present provisions are sufficient to make piracy illegal, to outlaw it and to enable authors who are members of the Berne Convention to enforce their rights.

Of course, Singapore would have to be adhering to the Berne Convention too, to make the practice illegal in respect of American works.

Senator **Leahy**. Thank you, Mr. Chairman.

Senator **Mathias**. Dr. Bogsch, we are very conscious these days of the cost of things.

How much would it cost to join the Berne Convention and what would be the annual cost?

Dr. **Bogsch**. The annual contribution of the United States of America that it would have to pay would be—the dollar exchange rate remaining the same as today—$100,000 a year. It is for most Parliaments unbelievable how cheap it is. [Laughter.]

But that is the fact. It is also a very interesting thing, if you will allow me to make a very short comment, that in the Paris Convention, the United States pays the same amount of contribution as France, the Federal Republic of Germany, the United Kingdom, Japan, and the Soviet Union. And in the Berne Convention, if the United States became a member, it would pay the same amount as the Federal Republic of Germany, the United Kingdom, and France.

Senator **Mathias**. To your knowledge, are there any other nations that are thinking about joining in the near future?

Dr. **Bogsch**. We try very hard to persuade China, but it will take a few years, I think.

Senator **Mathias**. You think our example might be helpful to you in persuading the Chinese?

Dr. **Bogsch**. I think it will have great influence on the Chinese decision if they would find themselves in the same company with you, sir.

Senator **Mathias**. Have there been any dropouts?

Dr. **Bogsch**. To my knowledge, there was one 60 or 70 years ago. I think it was the Dominican Republic.

Senator **Mathias**. But there have been no recent major nations that have left the Berne Convention?

Dr. **Bogsch**. No.

Senator **Mathias**. Just one other area that I think we ought to discuss briefly, and that is to clarify the question of national treatment.

If the majority of the Berne member states established a principle of cooperation on, let us say, the subject that Senator Leahy raised, audio home taping, would that commit the United States in any way to provide similar protection?

Dr. **Bogsch**. No, sir; because that is within the limits of the convention and the convention does not oblige any country to give an exclusive right in the case of home taping. The mere fact that other countries would go in that direction would not put any either legal or moral pressure on the United States of America to do the same.

Senator **Mathias**. Since you are with us here, I might just go to one further question because you were very much involved in drafting the provisions of the Universal Copyright Convention some 30 years ago.

The United States strongly supported that move at the time. Why did we go to the Universal Copyright Convention and not join Berne?

Dr. **Bogsch**. It is a most unfortunate historical accident. The reason is that the French, who were then the most influential in the Berne Convention, and some other Berne Convention countries too, were of the opinion that the price to be paid to let in the United States; namely, admission of certain formalities, would be too high. Then, overnight, they gave the same concession under the Universal Copyright Convention. They should have, of course, given it under the Berne Convention, but it is too late now to be sorry about it.

Senator MATHIAS. Obviously you think we should have gone forward with the Berne Convention?

Dr. BOGSCH. No. At that time, the Berne Convention countries should have made the same concessions that they made to the United States in the Universal Copyright Convention. France and the other Western European countries said at that time that the United States cannot come into the Berne Convention because you have formalities and we shall not admit formalities. And then, a few years later, under the Universal Copyright Convention, they made the concessions that the United States wished to have in the field of formalities. The existence of the Universal Copyright Convention is due to not enough foresight on behalf of the then members of the Berne Convention.

Senator MATHIAS. We hope there is wisdom enough for all acquired in the last generation.

We thank you very much for being with us.

Dr. BOGSCH. Thank you, sir.

Senator MATHIAS. Senator Leahy and I would like you to join us on the bench if you have time to stay for some of the other witnesses.

Senator Leahy and I would also like to submit some questions in writing, and we will ask you to submit answers in writing.

[Questions and answers, subsequently submitted for the record, follow:]

RESPONSES OF DR. BOGSCH TO WRITTEN QUESTIONS OF SENATOR MATHIAS

Question. Are you actively recruiting any other adherents to Berne? Of particular interest to me would be your efforts in the Middle East, particularly the countries that border the Arabian Gulf.

Answer. Yes, we are. The People's Republic of China, Malaysia, and Singapore are among such countries in Asia.

In the Middle East, we are particularly active in trying to persuade the following countries to adhere to the Berne Convention: Bahrein, Jordan, Kuwait, Qatar, Saudi Arabia and the United Arab Emirates. The discussions with officials of these countries take place in the framework of visits of such officials at the headquarters of WIPO and/or visits of WIPO staff in the capitals of those countries. I, myself, visited last year Riyadh and had discussions. In most of these countries, there is no, or no adequate, copyright legislation, and our efforts consist in both counselling on the adoption of such legislation and advising adherence to the Berne Convention.

Question. Please cite the pertinent provisions of Berne that might prohibit the compulsory license for coin-operated phonorecord players and discuss any variations that might apply in other countries adhering to Berne.

Answer. The pertinent provision in the Berne Convention is Article 11(1) providing that "authors of dramatic, dramatico-musical and *musical works* shall enjoy the exclusive right of authorizing . . . (i) the *public performance* of their works . . . *by any means* or process . . . (emphasis added).

This provision would seem to place performances by coin-operated phonorecord players, if the performance is a public one, among the acts which require the author's authorization.

However, in several countries party to the Berne Convention, public performance of musical works is subject to a de facto compulsory licensing system, and no serious criticism seems to have ever been levelled against such systems. This is the case, for example, in the United Kingdom, where the Performing Right Tribunal, set up by Section 23 of the UK Copyright Act, is, under certain circumstances, commissioned by law to, and in fact does, set the conditions, including the amount of copyright royalties; and the authors have no right, even if they are dissatisfied with such conditions, to prohibit the public performance of their works.

Furthermore, it is generally admitted that any country party to the Berne Convention may establish what is called "small exceptions" to the exclusive right of authorization. It is believed that a compulsory license for coin-operated phonorecord players may, in 1985 and the forseeable future, be regarded as admissible since the economic significance, for the authors and composers, of the use of such players is marginal. For example, according to my information, the receipts of United States societies collecting royalties for performing rights, come, to the extent of some 99%, from performances other than by coin-operated phonorecord players; in other words, the economic significance of performances by coin-operated phonorecord players is one percent out of all income coming from public performances. Finally, it should be noted that coin-operated phonorecord players may well be on their way out since better techniques and less bulky devices are taking their place. Such devices are not coin-operated phonorecord players.

Question. What mechanisms might be used to grant the coin-operated phonorecord player industry equal or better protection that Congress mandated for it in 1976 that would meet the provisions of the Berne Convention?

Answer. One of the conceivable mechanisms would be to set up a body similar to the United Kingdom Performing Right Tribunal. There should be an obligation to try to reach contractual agreement that would include authorization to perform in public and, if such an agreement did not materialize because of the dominant position of the associations administering the rights of authors, the said body could fix the conditions, including the amount of fees. Under Article 17 of the Berne Convention, this would be admissible and it would grant the coin-operated phonorecord player industry equal or better protection than Congress mandated for it in 1976. However, for the reasons stated above, even the present law in the United States of America should be regarded as compatible with the Berne Convention.

Question. Is it possible for the United States to adhere to Berne and maintain Section 116 of the Copyright Act by reservation or in some other manner?

Answer. It is possible for the U.S. to adhere to the Berne Convention and maintain Section 116 of the Copyright Act. A reservation is neither possible nor necessary.

Senator LEAHY. Doctor, I want you to take my seat right here.

Senator MATHIAS. Our next witness is Elinor Constable, Acting Assistant Secretary for Business and Economic Affairs of the State Department.

I regret that at this point we will have to adhere strictly to the 5-minute rule if we are to get through with the witnesses we have for today. We will ask you to summarize your statement within 5 minutes but, as previously announced, the full statements will be included in the record.

STATEMENT OF ELINOR CONSTABLE, ACTING ASSISTANT SECRETARY OF STATE FOR THE BUREAU OF ECONOMIC AND BUSINESS AFFAIRS, DEPARTMENT OF STATE, WASHINGTON, DC, ACCOMPANIED BY HARVEY WINTER

Ms. CONSTABLE. Thank you very much, Mr. Chairman.

I am indeed prepared to summarize my rather lengthy statement and, with your permission, submit it for the record.

My name is Elinor Constable. I am the Acting Assistant Secretary of State for Economic and Business Affairs.

Effective international copyright protection for the literary and artistic works of American nationals and the development of legal instruments to secure this protection worldwide——

Senator MATHIAS. Can you speak a little more directly into the microphone. I can see that people behind you are having some trouble hearing.

Ms. CONSTABLE. Can you hear me now?

Senator MATHIAS. Yes. Ben Zelenko says he can hear you, and he is almost in the back of the room.

Ms. CONSTABLE. I am almost on top of the microphone. I hope I do not bump into it.

Effective international copyright protection of literary and artistic works of American nationals and the development of legal instruments to secure this protection worldwide have been one of the main foreign policy objectives of the Department of State for many decades. Of paramount importance to these objectives is the long-held view of the Department strongly favoring U.S. adherence to the Berne Convention for the Protection of Literary and Artistic Property.

I am not a specialist in copyright law, but I see you have a number of specialists appearing before you and, therefore, I do not propose to make any detailed analysis of what may be needed to bring U.S. law into conformity with the Berne Convention.

Although the Department strongly supports U.S. adherence to the Berne Convention, we do not, if it jeopardizes the careful balance in our present copyright laws among all groups, consumers as well as creators and producers of copyright materials.

In 1986, the Berne Convention will be 100 years old, and during the past century has been the very cornerstone of international copyright protection. This being the case, the question arises as to why the United States does not adhere to Berne at this time, notwithstanding the strong views of the Department of State favoring adherence.

The obvious answer is that not everybody has agreed with our position. A more substantive answer is until the end of World War II, the attitude of the United States toward international copyright generally was that of a copyright importing nation. Today, as the world's leading producer of copyrighted materials, there is a completely different U.S. perspective to the significance of intellectual property protection. Thus, the Department of State's Advisory International Copyright Panel at a meeting in September 1984 widely endorsed in principle U.S. adherence to the Berne Convention. As a followup to this meeting, the Authors' League, at the urging of the Department of State, put together an ad hoc group of private sector copyright experts to examine the compatibility of U.S. law with the Berne Convention under the chairmanship of the League's counsel, Irwin Karp. Draft papers are being prepared by the group on such important issues as formalities, moral rights, compulsory licensing, retroactivity, the manufacturing clause, et cetera. As soon as these papers are completed, they will be circulated to interested parties in the private and public sectors to review and comment on.

This is a pro bono effort in which Government representatives are participating in an ex officio capacity. During the course of the Department's consideration of U.S. adherence to Berne, an important question that has arisen is the possible effect of such adherence on U.S. participation in the Universal Copyright Convention. The short answer is that our membership in the UCC would not be affected by our adherence to Berne nor would our withdrawal from Unesco affect our rights and obligations under the UCC.

However, it should be noted that the United States will no longer participate in the Unesco General Conference which reviews and approves the programs and budgets of all Unesco administrative units, including the Copyright Division.

Another important question that has been raised with the Department in connection with this exercise is what benefit would the United States obtain from Berne that it does not now receive through the UCC.

We do not believe that our adherence to Berne will immediately result in a higher level of protection than is now available to our copyrighted works abroad. The real advantage is essentially long term and structural in that as a member state of the Berne Convention we will enter more completely into the mainstream of international copyright and bring U.S. copyright law and practices within a framework accepted by our closest friends and, equally important, our best customers. As a member state of the Berne Convention we will be able to participate fully in the administrative bodies of that convention and in the preparations for the next revision of Berne which may occur within the next 5 years.

In talking about the advantages of U.S. adherence to Berne, I would be remiss if I did not point to a high level of proficiency and effectiveness of the World Intellectual Property Organization as the Secretariat for the Berne Convention under the leadership of Dr. Bogsch, whom you heard from a moment ago. This contrasts with the politicized operation of Unesco as the Secretariat for the UCC.

In conclusion, the Department believes that the time has come for the United States, as the foremost producer of copyrighted material, to join Berne and become an active participant in that convention. If we fail to do so, it may be our last chance in this century. Failure to do so would also, in our view, add to the risk of deterioration and further fragmentation of the International Copyright System.

Thank you, Mr. Chairman.

Senator MATHIAS. Has the absence of the United States from the Berne Convention had any disadvantages? Has it caused us any economic disadvantage in the years that we have not adhered to it?

Ms. CONSTABLE. My impression, Mr. Chairman, is that there have not been substantial economic costs up to now because of nonadherence to the Berne Convention, primarily because we have been able to achieve protection under the UCC. I do not think that would continue to be the case, however, if we fail to participate in the Berne Convention from now on.

Senator MATHIAS. So you think the disadvantages may increase?

Ms. CONSTABLE. I think they could in the future. It is difficult to quantify at this stage. However, because of the limitations that we see developing around our active participation in the UCC, I think there is the risk that there would be costs associated with nonparticipation in Berne.

Senator MATHIAS. You mentioned an ad hoc committee. What is the composition of that committee?

Is its membership limited to organizations and individuals who had some direct pecuniary interest or was there an invitation issued to public interest groups such as the American Civil Liberties Union, or well-known individuals like Dr. Harlan Cleveland?

Ms. CONSTABLE. With your permission, Mr. Chairman, I would like to ask my colleague, Harvey Winter, to respond to that question as he is working directly with that group and knows the individuals on it and I do not have the list in front of me.

Senator **Mathias**. Sure.

STATEMENT OF HARVEY WINTER

Mr. **Winter**. Yes, Mr. Chairman, this is an ad hoc working group put together in consultation with the private sector group and professional organizations. They were selected as people that were known to be copyright experts, and to have particular expertise and interest in the international copyright scene.

Although some of the individuals obviously are identified with publishers, motion picture producers and other copyright creators, we do have representatives of consumer groups such as educators and librarians. It is a pro bono effort, and ultimately the reports or issue papers, as we have been calling them, will be circulated to the public for comment. We then intend to make a report to the Department of State's International Copyright Panel, and that will be widely publicized. And at that time, we would hope to have the fullest input from any interested groups, Mr. Chairman.

Senator **Mathias**. Thank you very much.

We will have some further questions and we ask you to submit the answers for the record if you are willing to do so.

[The prepared statement of Ms. Constable and questions and answers, subsequently submitted for the record, follow:]

PREPARED STATEMENT OF ELINOR CONSTABLE

My name is Elinor Constable and I am the Acting Assistant Secretary of State for the Bureau of Economic and Business Affairs in the Department of State. Our Bureau has long been concerned with the legal and commercial problems faced abroad by American intellectual property industries. We have been deeply involved with the Patent and Trademark Office in efforts to revise the Paris Industrial Property Convention; we worked closely with Congress and with other concerned agencies, especially the Copyright Office, in the last revision of the Universal Copyright Convention and in the successful negotiation of the Brussels Satellite Convention.

International copyright protection, the development of legal instruments to secure this protection throughout the world, the interpretation and modernization of international copyright laws, and reduction of barriers to the free diffusion of United States cultural materials have been among the strongest and longest held concerns of the Department of State. Central to the long-standing views of the Department of State in the copyright protection area is the desirability of United States adherence to the Berne Convention for the Protection of Literary and Artistic Property.

The Department supported adherence to Berne when the principal copyright concerns of our society were books and printed music; we continued to support this worthy objective in the age of the long-playing record, broadcasting and theatrical films. And, as we move into the so-called "information age", we continue to support United States adherence to the Berne Convention as of inestimable value to authors and the creative process in the context of information services and products, satellite broadcasting, cable and home video.

It has been some time since a serious inquiry has been undertaken into the utility of this country's adherence to Berne and we wish to express our deep appreciation for your initiative in this matter. The time in our view has never been better to secure our adherence to the paramount worldwide copyright convention; the need for United States participation has never been greater and the global stake for authors, consumers, commercial and non-commercial users, has never been higher.

Before I address the basis for the Department's position in favor of our adherence to Berne, there are a few caveats I must make. Most important, I am not a technical specialist in copyright law. Although we at the Department are familiar with the principal features of international copyright arrangements, commercial practices, and problems faced by U.S. industry abroad, we are not now in a position to comment authoritatively upon the matters of legal detail which naturally arise in considering specific Berne obligations or possible requirements for implementing legislation which might be needed to bring our law into conformity with Berne. This detailed analysis will be developed in a normal, inter-agency process.

Second, much of what we will say concerns the commercial side of the copyright scene but this should not be taken to mean that this is solely our view of what copyright is all about. The Department supports reasonably high levels of copyright protection because of our conviction that authors' rights sustain creativity, communications and, in particular, the projection of the cultural diversity of American society into the markets of other countries. On the other hand, we could not and would not support United States adherence to the Berne Convention if it jeopardized our copyright law's carefully crafted balance of interests of consumers, librarians, educators, scholars and students who are as much an integral part of the uninhibited circulation of ideas and information as are publishers, exhibitors or computer programmers.

Third, what I will say today is hardly new or startling; indeed, much of it may have been said decades ago. You will hear today and in subsequent hearings reasons why the Berne Convention is a "good" treaty, why it may be a "better" treaty than the Universal Copyright Convention, why contemporary developments in technology and media of creativity "demand" our adherence to a more fully elaborated treaty respecting authors' rights. There is undoubtedly much truth in all of this.

The following quotation succinctly sums up the views of the Department of State on the proposal that the United States should become a member State of the Berne Convention:

> "The business of the Department of State is to negotiate treaties. Another function of the Department of State is to protect American interests in other countries, and the reason why the Department of State has recommended this treaty is because it believes that, through the treaty, it can better protect American interests, so far as copyright is concerned, in other coun-

tries, than through any other available instrumentality."

The spokesperson was Dr. Wallace McClure of the State Department and he was speaking a half a century ago - in 1935. Times have changed. But the role of the Convention in structuring the global protection of authors' rights has not changed at all; the relevance of its principles to new circumstances is undiminished. And, so, we continue to support adherence to Berne for long-term fundamental, structural and ultimately political reasons, rather than in response to any particular problem or opportunity which a specific copyright interest may desire.

A brief review of the history of the Berne Convention and its essential features can help to set the question of U.S. adherence to the Convention in a proper historical perspective.

The Berne Convention for the Protection of Literary and Artistic Property was signed in 1886, the culmination of thirty years of effort initiated at the Congress of Authors and Artists which met at Brussels in 1858. The contents of the first text of Berne were--in comparison with the 1971 Paris text of Berne--rather scanty. But, what was there was crucially important and represents the first recognition in international law of principles still vital in today's world. Those principles include the rule of "national treatment" of foreign authors (called rightly the "cornerstone" of international copyright), recognition of translation rights, and limitations upon the formalities which could be imposed as conditions of copyright by states other than the country of origin of a protected work.

The establishment of an International Bureau to administer the Convention and support periodic revisions was very important. The creation of an international institution with expertise in authors' rights was an innovative step, the benefits of which all authors and rightsholders are still obtaining today: the World Intellectual Property Organization is the direct descendant of the first Berne Bureau and, as we shall note later, retains the spirit of non-partisan technical expertise which the drafters of the 1886 Convention thought essential to international progress in authors' rights.

The Berne Convention has been revised five times since 1886, at approximately 20 year intervals--at Berlin in 1908, Rome in 1928, Brussels in 1948, Stockholm in 1967, and in 1971 at Paris as a follow-up to the Stockholm Conference. As a result of these revisions, the Convention has grown in scope as the nature of creative authorship and copyright exploitation have changed.

The text of the Berne Convention to which the United States would accede is the Paris text of 1971. Compared with the original 1886 Berne text, today's Berne Convention contains strengthened minimum protection requirements and addresses a far wider range of subjects of importance to contemporary authors' rights. Many of the present Berne provisions will require careful analysis by the Congress and by interested groups from the public and private sectors. Principal features of the 1971 text include:

> -- the fundamental rule of national treatment; that is, foreign authors must be accorded the same rights which domestic law accords to works of nationals first published on the national territory;

-- automatic, formality-free copyright protection for a wide range of media of creative expression;

-- a minimum term of protection based upon the life of the author and 50 years after his or her death;

-- recognition of the so-called "moral rights" of authors, in particular their right to be credited as author and to object to the mutilation or distortion of their works in a manner prejudicial to the honor or reputation of the artist.

In addition, Berne establishes minimum standards concerning public performance rights and broadcasting, the right of reproduction, minimum terms of copyright for works in general and for specific works, etc.

In short, the Berne Convention--although different in some perhaps important details--supplies essentially the minimum elements of copyright regimes with which the United States and many other free-market industrialized countries are quite familiar. Our impression remains that the basic concepts of copyright under Berne--economic rights and their limitations, duration, exercise and ownership--are not alien to U.S. copyright law.

The Berne Convention has also demonstrated a resiliency in today's fractious global economic environment, particularly with respect to acceptance of effective and uniform copyright protection in the developing countries. The Convention has adapted itself to the special needs of developing countries in a manner calculated to preserve the principal elements of authors' rights. The Berne Convention now contains--as does the Universal Copyright Convention--significant opportunities for developing countries to use compulsory license to obtain translation and reprint rights in aid of education and development.

Because of the reasonable level of copyright protection provided for in the Berne Convention, because its minimum requirements are an appropriate "floor" below which national level copyright protection of member states cannot fall, the Department believes that Berne is a highly desirable basis upon which to pursue future copyright relations with other countries. Berne provides eligibility for copyright protection in over 75 member states; it provides that such protection shall be automatic and formality free--a desirable result in light of the swift world-wide exploitation of more and more works through international transmissions. It provides a simple but effective basis for protection and a fair level of protection--widely accepted among developing as well as developed countries. It is important to note that more than 30 developing countries are parties to Berne.

Given all of this, the natural question arises as to why we did not adhere to Berne in the past? As I have noted, the Department of State has been urging ratification of Berne for 50 years. Obviously, not everyone has agreed with the Department in this matter.

The historical record of why the United States did not choose to adhere to the Berne Convention is open to all and our understanding of the situation is this: first of all, up until the end of the Second World War, the attitude of the United States toward international copyright in general was that of a copyright importing nation. Wrongly, I think, we believed that enhanced recognition of foreign authors' rights would more than offset the gains our copyright industries would obtain abroad by participation in multilateral copyright arrangements. Today, there is a 180 degree turnaround in the U.S. perspective on the importance of intellectual property protection.

Second, our copyright laws have always had certain ideosyncratic characteristics: we have tended to use formalities more rigorously and longer than in the case of other industrialized nations; we have extended the term of copyright rather cautiously and gradually; we have not been familiar or comfortable with the notion of the "moral rights" of the author; and our established commercial practices have made the moral rights issue a matter of concern to a number of copyright industries. Yet, in general, many of our attitudes towards these issues may have changed with the coming into force of the 1976 Copyright Act.

Copyright experts have observed that the 1976 Copyright Act moved the United States much closer to the norms established by the Berne Convention. There is no doubt that formalities, while retained in the U.S. statute, have been greatly liberalized in their impact upon copyright.

Mr. Chairman, on the question of whether traditional impediments to our adherence to Berne remain, or whether new impediments have arisen, we can note at this point the conclusions of an international group of respected copyright experts which met in Geneva at the World Intellectual Property Organization in 1978. These experts appear to have agreed that the principal impediments remain in the areas of formalities--notice and perhaps registration as a precondition to the bringing of an infringement suit--and the manufacturing clause. Careful and independent minded study may disclose other issues; while we don't believe in creating problems, we do very much support such a careful examination. In this context, it is to be noted that an important review of Berne adherence issues is now going forward under the aegis of the Authors' League of America.

Following a meeting of the Department of State International Copyright Advisory Panel in the fall of 1984 at which U.S. adherence to Berne was widely endorsed in principle, it became clear that there was a pressing need to come to grips with the problem of how accession to Berne might fairly be implemented. The Authors' League expressed a willingness to put together a group drawn from a variety of copyright communities and comprised of individuals with broad copyright concerns, a great deal of experience in domestic and international copyright matters, and a dedication to the overall, long-term international copyright interests of the United States. The Department of State urged the League to pursue this task.

Just over a dozen individuals have been meeting over the past two months under the chairmanship of the League's Counsel, Irwin Karp. They are working to develop a discussion document on Berne adherence for wide use by all parties concerned with copyright policy and law. The League hopes to offer the public a basis on which an intense, well-focussed and timely public debate can take place on the question of adherence to Berne. The purpose of the League's initiative is to identify in as impartial a way as possible the real inconsistencies or incompatibilities which exist between present U.S. law and the Berne Convention and to suggest approaches through which problems so identified might be resolved.

The League work, which still is in its early stages, deserves our full support. Government representatives have participated in the League meetings of experts in an *ex officio* capacity. It is clear on the basis of the Group's initial deliberations that the League initiative is a well constituted *pro bono* effort designed to educate and to facilitate effective decision-making. It does not seek to present the positions of one narrow interest or another.

In the final analysis, joining the Berne Convention--or not joining the Convention--is a question that concerns authors, publishers, film-makers, librarians, educators, video retailers and consumers much more than it concerns the Department of State or any other government agency. That question as a matter of sound domestic policy must be debated by the public.

One of the principal questions which we are asked when the question of United States adherence to Berne has been raised concerns the relationship of such a step to United States participation in the Universal Copyright Convention. A second important question involves inquiry into what benefits the United States would obtain from the Berne Convention that it does not now receive through the UCC.

The first question is easy to answer: our membership in the UCC would remain unaffected by adherence to Berne. Our copyright relations with states which are parties to both Berne and the UCC would be set on the basis of the Berne, rather than the Universal Convention where there are inconsistencies between the two. In view of the fact that the USSR is a member of the UCC only and that a number of the newly industrializing states which have remained outside of Berne and the UCC might adhere in the first instance to the UCC, there is no doubt that membership in and promotion of the Universal Copyright Convention will continue to be a vital part of the international copyright policy of the United States. However, it may be useful to note some points concerning the withdrawal of the United States from UNESCO.

The intention of the United States to withdraw from UNESCO announced by Secretary Shultz in December 1983, among other things, directed attention to our international copyright relations with particular reference to the Universal Copyright Convention since UNESCO serves as the Secretariat for this Convention. As you know, the United States withdrew from UNESCO in December 1984.

One of the most important questions concerning the effects of our withdrawal from UNESCO relates to our continued membership in the UCC and participation in UCC copyright programs. On the basis of a careful review of the issue, the Department of State has concluded that the rights and obligations of the United States under the UNESCO-sponsored conventions to which it is already a party would not be affected by withdrawal from the organization.

Thus in the short term, adverse effects of U.S. withdrawal from UNESCO on international copyright objectives of the U.S. may be minimal. Yet, the relative absence of extraneous political considerations in the copyright work of WIPO have contributed to the renewed interest in Berne.

In looking at the long-term picture in international copyright, one must clearly take into account relative strengths of the Secretariats for the two worldwide copyright arrangements. There is a significant body of opinion today that the modernization of copyright - the decisions taken or in the process of development - will be more objectively determined in the W.I.P.O./Berne forum than in UNESCO/UCC. The World Intellectual Property Organization, a U.N. Specialized Agency in Geneva, is a highly professional secretariat whose sole focus of activity is the effective promotion, protection and utilization of intellectual property worldwide. As you know, the Director General of W.I.P.O. is a U.S. national, Dr. Arpad Bogsch, who will, I understand, appear before your Committee.

By contrast, UNESCO, which administers the UCC, is an organization which is engaged in a number of activities often unrelated to intellectual property concerns, or, in some cases, inimical to the copyright concepts incorporated in the Berne and Universal Copyright Conventions.

In this regard, I do not mean to suggest that WIPO is more responsive to our interests or less concerned with the needs of developing countries. In fact, WIPO's development cooperation program is both substantial and cost effective.

Our withdrawal from UNESCO at the end of 1984 highlights the problems of that organization and points to the risk that politicization and lapses in professionalism which have infected parts of UNESCO's work could at some point undermine UNESCO's administration of the UCC.

It is also worth noting that we will no longer participate in the UNESCO General Conference which reviews and approves the various programs and budgets of the administrative bodies of UNESCO including the Copyright Division. And, of course, we have never had a voice in the General Assembly and Executive Committee of the Berne Convention. Thus, at the present time the United States stands awkwardly on the sidelines as far as the governing bodies of the two copyright Conventions are concerned.

This situation exists at a time when paradoxically we are attempting to assert an active leadership role in persuading other countries to join in national, bilateral and multilateral approaches to ensuring enhanced protection for intellectual property rights generally. Stated in positive terms, there are now and will be in the future opportunities within the framework of the Berne Convention to influence decisions of the governing bodies of this Convention and institutional arrangements concerning international copyright matters which will have significant short-term and long-term implications for U.S. interests. These interests will be best-served by the adherence of the United States to Berne at the earliest practicable date.

The second question is a bit more elusive. Put bluntly, the Department does not believe that United States adherence to the Berne Convention will instantly translate into a higher level of copyright protection than is now available to our works, nor will it mean, so far as we can see, any increase in royalties for the use of our works abroad. Nor does the Berne Convention provide ready answers to many of the most vexing copyright questions which the Congress and the Government have confronted over the last several years.

The advantage the United States would derive from adherence to Berne is fundamentally long-term and structural; it is an interest in process, in international unity among societies which cherish free speech and free markets; it is an interest in strengthening the principle of greater uniformity in international copyright laws as well as the substantive adequacy of such laws.

The point is that it is high time in our view that the United States adhere to the Berne Convention and thus become a member of the body of States known as the Berne Union. It is, in fact, the acceptance of the concept of the Berne Union which is most significant for the future development of copyright. For the Berne Union constitutes a group of states pledged to develop their copyright laws in accordance with certain widely shared principles and committed to elaborating those principles in international law. It is not any particular change in the 1976 Copyright Act which amounts to "accepting" Berne. It is rather a declaration by the United States that we understand the responsibilities which flow from the world-wide appeal of our national authorship and that our law of authors' rights will take into fair and equitable consideration the needs of the global copyright and cultural community. In short, it is a testament that the United States at last rejects the rigid position of following our own course, wherever it may lead, and that we have lent our economic, political and cultural power to a global effort to build authors' rights, within a framework accepted by many of our closest friends, and our best customers.

The U.C.C. is an extraordinary achievement; it brought the United States out of its bilateralist insularity and helped us gain experience in simplified recognition of foreign authors' rights. It has and deserves our support. But, there is no denying that the UCC is essentially a treaty concerned with the eligibility for protection under national laws and not an elaborated international law expressing the minimum contents of rights, exemptions and the like in the fashion of the Berne Convention.

It appears to the Department of State that for the United States to continue to obtain the benefit of Berne style protection via the national treatment obligations of the UCC is to court future conflict. Further, it appears to us that it is no longer appropriate for the United States to enter the Berne system through the "backdoor" as we have done for the last 60 years. Our stake in foreign markets is simply too large and growing too fast to continue to insist that while Berne is excellent abroad, it is unacceptable in the United States itself. If profoundly important philosophical differences separate our notion of good copyright policy from Berne's, then we should say so and explain why. However, such major, insurmountable differences do not appear to exist today. A realistic examination of how the United States might join the Berne Union--now under way in this Committee and in the Authors' League initiative--is imperative and timely.

In conclusion, Mr. Chairman, I wish to note the Department of State's active role over the past 25 years in the preparation for and negotiation of some twelve important international intellectual property agreements. It is our professional judgment that the time has come for the United States to move decisively into active participation in Berne. There will be problems to be overcome as I have indicated. However, there is broad support and interest in this step in the United States and abroad. An impressive number of association representatives and respected private sector experts are now involved in this initiative. The international copyright scene and our leadership role in an overall effort to secure enhanced protection for intellectual property rights worldwide call for active United States membership in the Berne Convention. This may be our last best chance in the 20th Century. Failure of the United States now to become a member of this Convention would add to the risk of deterioration and further fragmentation of the international copyright system. The Berne Union--now approaching its 100th year of effective copyright protection activities--has a crucial role to play in enhancing the cultural and intellectual climate of this rather small planet we call EARTH. The United States as the world's foremost producer and consumer of copyrighted materials should have an association with Berne fully commensurate with these interests.

RESPONSES OF ELINOR CONSTABLE TO WRITTEN QUESTIONS OF SENATOR MATHIAS

Q. The Berne Convention has been in existence for almost 100 years now, yet U.S. copyright holders have built important markets in many foreign countries. How has our absence from the Berne Convention hurt us?

A. There is no doubt that U.S. non-adherence to the Berne Convention has complicated the exportation of certain kinds of copyrighted materials. A number of works - motion pictures and literary works are prime examples - secured protection in Berne countries through the so-called "backdoor", that is, through simultaneous publication in a Berne country. However, the enforcement of rights obtained through the "backdoor" has proven to be difficult, time consuming, and expensive. Many of the works published before the advent of the Universal Copyright Convention (UCC) are still under copyright, are still valuable and are still facing the legal hurdles of proving a simultaneous publication in a Berne country should enforcement of rights be necessary. Since the UCC became widely accepted among States party to Berne, however, many of these problems have disappeared, as a practical matter.

U.S. copyright holders indeed have developed important markets in many foreign countries, especially in industrialized market economy countries, which have been based primarily on protection deriving from our membership in the UCC beginning in 1955. Therefore it can be said that our absence from the Berne Convention has not materially hurt U.S. copyright interests during the past several years. However, it should also be noted that United States copyright interests have been getting what amounts to copyright protection at the Berne level in countries which belong to both UCC and Berne on the basis of the "national treatment" provision of the UCC.

The real injury for the United States will occur in the future when our lack of membership in Berne will clearly place this country in a very difficult position to exercise the leadership role it has held in international copyright since the 1950's. Although our withdrawal from UNESCO will not affect our membership in the UCC nor protection under this Convention, it has highlighted the political and administrative problems of that organization. This situation may well undermine UNESCO's administration of the UCC. Further, U.S. withdrawal from UNESCO leaves us without representation in the UNESCO General Conference, thereby diminishing our influence in the UCC. Undoubtedly the result of this situation will be to weaken U.S. influence in the international copyright field.

Looking at this question from a positive viewpoint, the Department of State believes that the advantage the United States would derive from membership in the Berne Convention is essentially long-term and structural. As a member State of the Berne Convention we would be able to participate fully in the governing bodies of that Convention and in any future revision conferences for that Convention. We believe that the future of international copyright lies in the Berne Convention and that, as a member of this Convention, the United States will assure that it will continue to play a leading role in international copyright.

Q. Much has been said about the "self-executing" nature of the Berne Convention. How will this work in practice?

A. Article 36 of the Berne Convention says that a party "undertakes to adopt, in accordance with its constitution, the measures necessary to ensure the application of this Convention."

In applying this article a State begins by examining its legal system. In those countries in which all treaties are self-executing, implementing legislation is unnecessary. In other countries, such as the United States, in which treaties are not necessarily self-executing, domestic legislation may be required.

The practice of the United States has been to regard intellectual property treaties such as the Berne Convention as not being self-executing. The Department would work with the interested agencies to determine whether it would be possible to implement the Convention under existing legislation. Where, as in this case, it would not be possible, we would work with them to develop new legislation to meet our obligations. Even if the Senate were to have given its advice and consent to ratification of the Convention, no action would be taken to deposit our instrument of accession or ratification until there was a basis for our domestic law for meeting our obligations.

Q. Will implementing legislation be necessary, and, if so, what form will it take?

A. The overall revision of the U.S. copyright law in 1976 removed certain major obstacles to our adherence to the Berne Convention, as for example, term of protection. However, the Department of State and other interested agencies have agreed that there are additional adjustments that will have to be made in U.S. law to make it compatible with the Berne Convention. No definitive conclusions have reached at this time as to the nature of these adjustments.

Any implementing legislation to meet United States obligations under the Berne Convention will undoubtedly be in the form of revisions in the U.S. Copyright Act.

Q. You mention the endorsement in principle of U.S. adherence to Berne by the organizations represented at the Department's International Copyright Panel last fall. Do you have any information about the attitudes of copyright industries in Berne member states on the question?

A. One of the most influential and prestigious non-governmental organizations in the international copyright field is the International Confederation of Societies of Authors and Composers, known by the French acronym CISAC. It is composed of national performing rights societies from developing as well as developed countries.

All of the important market economy countries that are member States of the Berne Convention have national groups that also belong to CISAC and are very influential with their government on international copyright matters.

At a recent meeting of CISAC's Legal and Legislation Committee (May 2-4, 1985) the major item on the agenda was the question of United States adherence to the Berne Convention. After a presentation by a State Department official on the subject, there was a lengthy discussion by representatives of the national performing rights societies. The Chairman of the Committee summed up the discussion by saying that there was a strong general consensus that the adherence of the United States to Berne would be "welcomed". He noted that the membership of the Berne Convention has "never been complete" without the United States.

Senator MATHIAS. Our next witness is Barbara Ringer, the distinguished former Register of Copyrights. She is a familiar visitor to this committee and always welcome here.

STATEMENT OF BARBARA RINGER, FORMER REGISTER OF COPYRIGHTS, WASHINGTON, DC

Ms. RINGER. Thank you very much, Mr. Chairman.

I have a prepared statement, but I would prefer to summarize it and then answer any questions that you have.

Senator MATHIAS. If you can summarize your statement, the whole statement will be included.

Ms. RINGER. Thank you. I very much appreciate the opportunity to testify on what I think is one of the most important problems in copyright and one on which I have very strong feelings. I am extremely gratified that your subcommittee is taking up this subject.

Lest there be any doubts about my feelings about the Berne Convention, let me say emphatically that I think it is one of the great documents of the word. I think there are historic reasons, as have been already mentioned, why the United States has never joined the Berne Convention, but they have had nothing to do with the merits of the convention itself. As you know very well, Mr. Chairman, timing is everything. There is a tide in the affairs of man. I have seen that over and over again in copyright, and I do not think the timing has been right for Berne until now. But I am led to have some hope that maybe the timing is finally right, that U.S. adherence is a genuine possibility.

In my statement I mention five factors that are contributing to the current emergency in copyright, and I do think that copyright internationally and domestically is in a crisis. I will not belabor the points. I think you have had them made to you time and again, but let me just run down them very briefly.

The first, of course, as everyone knows, is the cascading technology that is simply engulfing copyright and threatening to drown it. The easy and cheap ability for entrepreneurs throughout the world to freeload on people's copyrights and the inability of the copyright owners to control their markets is too apparent to be denied. If you get bored with hearing this, Mr. Chairman, I can understand. But the fact that it's almost a cliche does not make it any the less true.

The second, as you already heard today, is rampant piracy on the international level.

The third—and this has not been mentioned too much today—is the challenge of the developing countries. One of the principal tensions in international copyright is between the have and have-not countries. I think that this challenge is translating itself today into the kind of piracy, with some governmental sanction, that is simply eroding copyright owners' rights.

The fourth is the lack of an international base. This point has been made repeatedly also. We are not members of the Berne Union and we have lost our base in Unesco. It is more than just a matter of budgets, Mr. Chairman. It is a matter of influence within the Secretariat. It is the fact you can go in and talk to people and develop programs and so forth, and we have lost that. This is, I think, a kind of desperate situation.

Finally, there are deficiencies in the U.S. copyright law which are very real. We are not at the level of Berne, if you want to look at it in a technical sense. There are all sorts of inconsistencies that one can find. Now, if we join Berne, as Dr. Bogsch has said, I think a lot of people would regard us at the Berne level even if we had not crossed every "t" and dotted every "i"; but as things now stand, and this point is very important, we are regarded as hypocrites on the international scene. We talk Berne, but we are not members of Berne. We accept the advantages but not the obligations, and this is a very, very awkward situation to be in.

And the fact that we are no longer influential in the Unesco-UCC context makes it all the worse.

In the 1976 Copyright Act we did look toward Berne. We had that in mind. The life plus 50 term and some of the other provisions were definitely done with Berne in mind. We obviously did not go far enough. We could not. It was not possible to get a completely revised copyright act and Berne compliance at the same time. There is still a considerable distance to go.

But, nevertheless, other countries cannot understand why the United States, one of the world's largest and richest industrial powers and a leading exporter of cultural goods, is missing from the vanguard of international copyright protection. We are in an emergency, and something fairly major needs to be done. It is not too soon to start considering what the next major copyright program for the United States should be.

In my statement, Mr. Chairman, I have identified four threshold questions that should be asked, and the answers you give to them will determine the way we go. First, is the Universal Copyright Convention still sufficient for the protection of the United States' interest? I think the answer is no.

Second, assuming it is not, is there an alternative beyond the UCC but short of full adherence to Berne? I think you will have some suggestions made to you along this line, Mr. Chairman. I think they need to be considered, but in my opinion none of them are very promising, and I do believe that they should not be allowed to sidetrack a full program aimed at Berne adherence.

The third question is whether U.S. adherence to Berne in desirable, and I have no qualification in saying yes to that. I think that there are advantages domestically, internationally, and in trying to deal with future challenges.

Finally, is U.S. adherence to Berne a practical possibility? My answer is that it would not be easy, but it is certainly possible.

Mr. Chairman, 30 years ago the United States was the leader, the mover and shaker in developing the Universal Copyright Convention. We joined other nations in a worldwide multilateral convention that was intended to provide a bridge to the Berne Convention and full membership in the international community. The world has changed in those 30 years, Mr. Chairman, and I think it is time that we crossed that bridge.

Senator MATHIAS. We thank you for your testimony which is as clear and unequivocal as we have come to expect from you. It is always refreshing to have testimony which can be stated without qualification.

What would the adherence to the Berne Union do to resolve high-tech copyright issues, both domestically and internationally?

Ms. RINGER. I believe it would do quite a bit, Mr. Chairman. The high-tech issues are, of course, in the forefront of the issues facing the highly industrialized nations, not only as against the underdeveloped or less developed countries but among themselves, and we simply have no forum now in which to discuss these things.

It seems to me we would get added protection if we joined Berne. I do not agree that we have all the protection we want or could get now. I think we would get more. I think it is more a matter of enforcement. It is more a matter of what is done rather than what is said. But at the same time I think we would have a forum in which to discuss these things that we simply do not have now.

Senator MATHIAS. We are confronted in this committee with very tough questions, such as computer software protection and home video rights. These are volatile, controversial issues. They are important because they not only have a domestic impact, but a serious international impact. They touch upon objects of trade which are of economic significance to the United States. These are not just insignificant elements of our trade picture. As we move away from a smokestack economy and toward a service economy, these may be our main staples.

In your judgment, does the Berne Union provide us with a better framework than the Universal Copyright Convention for coming to grips with difficult questions of that kind?

Ms. RINGER. Absolutely, Mr. Chairman. The Universal Copyright Convention is a very low level convention. It is essentially a national treatment convention which simply does not address these detailed questions of minimum rights that you are raising now. It does seem to me that the Berne Convention and the various bodies within the Berne Union which take up these questions offer a better opportunity for us to discuss them.

Senator MATHIAS. I was interested in your comment with respect to the U.S. withdrawal from Unesco. You obviously think that has affected the U.S. position in the world of intellectual property protection.

Ms. RINGER. Absolutely. I think it had already begun to be affected. The situation at Unesco has been a deteriorating one for years. You may or may not know, Mr. Chairman, that I was the director of the copyright division at Unesco for 2 years in the early seventies, so I have some personal knowledge of that situation, and it is pretty dismal.

Senator MATHIAS. Yes; I have talked to some of the people in that office and I am aware that this situation has gotten steadily more unhappy. Does that general situation undermine the continuing viability of the Universal Copyright Convention as an international institution?

Ms. RINGER. No; but what it seems to have become now is a kind of a developing country-developed country meeting ground. I think that it serves a purpose in the sense that it attracts some countries that are not willing to go the full Berne route and bring them into the international community, and I think that is a healthy thing. I am not saying ditch the UCC, which has a great many merits. But in terms of U.S. interests and our fulfilling our goals and trying to get ourselves into the next century, it seems to me the Universal Copyright Convention and its Secretariat are hopeless.

Senator MATHIAS. One of the things that you mentioned in your statement was morality.

Ms. RINGER. Right.

Senator MATHIAS. I always worry when we begin to mix up morality——

Ms. RINGER. Almost as bad a word as "reality," Mr. Chairman. [Laughter.]

Senator MATHIAS. I am not sure in this area all countries recognize rights of morality or the force of morality. Are there any problems associated with moral rights?

Ms. RINGER. Well, I am glad you mentioned that because it had not been mentioned before, and this is one of the big bugaboos about our adhering to the Berne Convention. I think it is a problem.

I would recommend that you listen carefully to what Dr. Bogsch said, though. There are areas like moral rights which, if you want to attack a program for us to join the Berne Convention, can simply hang you up. It has happened in the past. On the other hand, there are quite a few cases in the jurisprudence in this country that look in the moral rights direction, and they are decided on a case-by-case basis. I am a strong advocate of moral rights and would love to see a Federal statute on the subject, but I think that may be a little ambitious. At the same time I do not think we need a moral rights statute in order to adhere to the Berne Convention.

Senator MATHIAS. Well, I am relieved to hear your answer because I do not think I want to be engaged in that debate. [Laughter.]

We have several other questions the answers to which the committee would value. If I may submit those to you in writing——

Ms. RINGER. By all means, Mr. Chairman.

Senator **Mathias**. I will ask your answers be included in the record. Thank you once again for being with us.

[The prepared statement of Ms. Ringer and a letter, subsequently submitted for the record, follow:]

PREPARED STATEMENT OF BARBARA RINGER

The Berne Convention and the United States

Although few people in this country have ever heard of it, the Berne Copyright Convention--the International Convention for the Protection of Literary and Artistic Works--has affected all our lives. For nearly a century it has operated invisibly but powerfully to establish the norms or standards of copyright protection throughout the world, and these standards in turn have shaped our culture and intellectual life. The Berne Convention is a genuinely great organic document, conceived for noble purposes, brilliantly thought out, drafted, and revised by experts, resilient in the face of continual political and technological pressures, and effective in accomplishing its aims. Many copyright provisions throughout the world are copied word-for-word from the Berne Convention, and membership of a country in the Berne Copyright Union carries with it national prestige, enhancement of the status of the country's authors and their works, and enforceable protection in other countries.

Given the very real advantages of Berne membership, one may well ask why the United States has never taken the steps necessary to join. The answer is as plain as it is depressing. At the point, early in this century, when the Berne Union actively sought U.S. adherence and clearly would have met us more than half way, the United States simply turned its back. As a result, the Berne Convention and the U.S. copyright law took off in opposite directions; by the end of World War I, when it dawned on the American copyright community that we had become an exporter of cultural materials and needed protection abroad, it was too late. Throughout the 1920's and 1930's there were continual efforts to reverse the error--to enact a general revision of the 1909 U.S. copyright statute to enable us to join the Berne Union--but all of them came to nothing. The differences were too great.

With this dismal history fresh in their minds, the policy-makers after World War II decided that if they could not join the old club they would form one of their own. The resulting Universal Copyright Convention of 1952 was referred to as a "low staircase" or "bridge" convention leading toward Berne membership, but with far less minimum requirements than those of Berne. The U.C.C. was developed under the auspices of Unesco and that organization, rather than the Berne Bureau, became its secretariat. Although in large part the result of U.S. initiatives, the Universal Convention attracted an increasing number of adherences, especially among developing countries which found its lack of minimum requirements attractive.

The Situation Today

It is no exaggeration to describe the current situation of the United States in international copyright matters as a state of emergency. Consider the following five factors:

(1) Cascading technology is overrunning copyright protection and is threatening to drown copyright altogether. Legal rights in new technological uses are not always clear, and even where rights are clearly defined they are often impossible to enforce. Unauthorized uses by entrepreneurs and individuals have become extremely easy and cheap, and the ability of copyright owners to control their markets is becoming increasingly difficult. Bad as this is at the domestic level, it is much worse internationally.

(2) Rampant piracy is the most obvious and dramatic product of the technological revolution in copyright. Piracy is so easy and financially attractive that the horse-and-buggy mechanisms for combatting it have simply broken down.

(3) The challenge of developing countries to traditional principles of copyright protection and enforcement is another by-product of the new technological era. A combination of political, economic, and social factors--including an urgent desire for access to educational

and technical materials and the lack of hard currency with which to pay for them--have led some developing countries to tolerate or encourage extensive inroads into copyright owners' legal rights. Sometimes this is done openly and defiantly. More often it is accomplished by the deliberate failure of government officials to enforce existing laws and treaty obligations, all the while protesting their government's devotion to copyright principles. This problem has reached epidemic proportions in some areas.

(h) Lack of an intergovernmental base. Although the United States remains a member of the Intergovernmental Copyright Committee, the governing body of the Universal Copyright Convention, our recent withdrawal from Unesco cannot fail to impair our already diminished effectiveness in the international copyright arena. One can cling to the hope that international politics can be kept out of copyright discussions as much as possible, and that the atmosphere for the United States at conferences and meetings does not become any more polarized than it already is. But the fact remains that, for whatever reasons, the United States can no longer exercise the leadership role it once had in international copyright.

(i) Deficiencies in the U.S. copyright law. A major difficulty facing U.S. negotiators in copyright matters is resentment against what some other countries perceive as our hypocrisy. If we adopt a tone of high moral indignation about piratical practices in certain countries, we can expect to have it pointed out that our own level of protection is full of gaps and limitations. More serious is the attitude of the old-line Berne countries, some of which still view us as nothing less than an international copyright outlaw. They can say, with considerable reason, that we are taking a free ride at their expense--that the United States enjoys nearly complete protection at the Berne level for our works in their countries, but that we deny their copyright owners full protection in this country.

The 1976 U. S. Copyright Act went a considerable distance toward compliance with the Berne Convention's requirements, but there is still a considerable distance to go. Other countries cannot understand why the United States--one of the world's largest and richest industrial powers and a leading exporter of cultural goods--is missing from the vanguard of international copyright protection.

What Is To Be Done?

It is hard for anyone to deny that the situation of the United States in international copyright is bad and getting worse. It is certainly not too early to start defining the scope and nature of the problem and exploring alternatives for possible solutions. At this juncture there seem to be four fundamental questions to be considered:

First: Is the Universal Copyright Convention still sufficient for the protection of U.S. interests?

The answer to this question must be "no." To garner international cooperation in developing a program to resolve the current copyright emergency, the United States must take a leadership role, and to do this we must have a firm intergovernmental base from which to operate. For the reasons already described, the Universal Copyright Convention is currently too weak and politicized to provide that base.

Second: Is there an alternative beyond the UCC but short of full adherence to Berne?

Possibilities along this line might include: (a) developing a whole new convention, with protection at a level different from that of either the UCC or Berne; (b) giving new international copyright jurisdiction to an existing intergovernmental organization other than WIPO or Unesco, such as the GATT; or (c) inducing the members of the Berne Union to develop some sort of subordinate, intermediate, or temporary convention that would allow the United States to join the Berne Union without accepting its full obligations immediately. These and other possibilities are sure to be put forward in the months ahead; they should, of course, be given full consideration as long as they are not allowed to sidetrack efforts to find solutions within the framework of the Berne Convention itself. As of now, however, none of these intermediate possibilities strikes me as either practical or desirable.

Third: Is U. S. adherence to the Berne Convention desirable?

My answer to this question would be "yes," for three reasons:

Internationally, it would enable our country at long last to meet its moral obligations in international copyright. For the first time we would be able to hold up our head as full partners in a concerted effort to resolve the enormous problems facing the entire world copyright community. As members of the Berne Union we would be able to count on cooperation from other industrialized nations, and to draw on the expertise and dynanism of the WIPO secretariat.

Domestically, adherence to Berne would for the first time bring the level of the U. S. copyright law up to something resembling the international norm. People in this country are finally beginning to realize how much the failure to offer adequate intellectual property protection has cost our nation, and in particular how foolish and self-defeating our stingy, formality-ridden copyright statutes and policies have been.

For the future, the technological trends that are already in motion are certain to continue and proliferate--and, as the saying goes, quantitative changes ultimately turn into qualitative changes. These challenges are breathtaking, and we cannot meet them alone. We need faithful allies and a firm organizational foundation from which to proceed into the disquieting future. The Berne Union offers both the allies and the foundation that we need; without them I am afraid we will be lost in space.

Fourth, and finally: Is U. S. adherence to the Berne Convention a practical possibility?

Here my answer would be "not easy, but entirely possible." Because of their divergent origins, the U. S. copyright statute and the Berne Convention are inconsistent on certain points; the usual wet blankets and nay-sayers will have ample opportunity to pick flaws in any program aimed at U. S. adherence. But I believe that the American copyright community has finally begun to realize that the stakes here are higher than they have ever been: they are, in fact, the very preservation of an effective system of copyright protection. Some changes in the U. S. law to conform to the Berne Convention would be a small enough price to pay for the survival of copyright itself.

Hon. CHARLES McC. MATHIAS, Jr.,
Chairman, Subcommittee on Patents, Copyrights and Trademarks, Committee on the Judiciary, U.S. Senate, Washington, DC.

DEAR SENATOR MATHIAS: Thank you for your letter of May 30, 1985, in which you posed two additional questions relating to the possibility of U.S. adherence to the Berne Convention.

Your first question asks for elaboration of my reference to "the challenge of developing countries to traditional principles of copyright protection and enforcement" as being "another by-product of the new technological era." My personal knowledge of this situation is limited to the period before 1980, when I retired as Register of Copyrights, but I have no doubt that the problem of lack of enforcement of copyright laws has grown worse since then. There is, in my opinion, no geographical region in the world where this problem does not exist, but it is severest in those countries with a strong demand for English-language informational, educational, and technical materials and no hard currency to pay for them.

The 1971 revisions of the Berne and Universal Conventions contained concessions aimed at me~~eting these~~ demands, but the legal machinery required of the developing countries in order to take advantage of these concessions has apparently proved too onerous. Reproducing equipment of all sorts is so readily accessible and so inexpensive to obtain and use that there is a great temptation to ignore copyright obligations for what is perceived as the greater public good. Without rigorous enforcement by governmental authorities these patterns of copyright evasion and poaching become established and grow.

To combat this pernicious tendency requires careful, delicate diplomatic negotiations, both directly with the governments concerned and indirectly in intergovernmental forums. My point here is that our failure to adhere to the Berne Convention has greatly weakend our ability to negotiate directly, and has deprived us of the forum necessary for us to participate in intergovernmental action.

This is, in part, the answer to your second question, which asked how U.S. adherence to Berne will reach the pirates, and whether the pirates are members of the Berne Convention. Let me make three points in this connection:

First, a number of countries, upon obtaining independence or shortly thereafter, woke up to find that they had become members of the Berne Union. In some cases the action has been taken by declarations made on their behalf by the former colonial administration, and in others it has been taken by the newly-independent government itself for reasons of prestige and without realizing the obligations it entailed. In some of these countries there is a tendency to associate the Berne Convention with the burdens of colonialism and, where it suits the government's purposes, to turn a blind eye to copyright poaching and even to piracy.

Second, where a country is a member of the Berne Union, other Berne members can undertake diplomatic measures to seek governmental enforcement of copyright laws with respect to works of their nationals. Lacking Berne membership, the United States is in a very weak position when it comes to measures of this sort.

Third, with respect to countries outside the Berne Union, several approaches are possible. There will always be pirates, but through concerted action Berne members can seek to establish a cordon sanitaire to limit the dissemation of the pirates' products beyond their borders. Diplomatic pressures can be brought to bear on governments to enact laws and regulations protecting foreign copyrights, to enforce the laws they have, and even to join one or both of the international treaties. The ability of the United States to undertake or join in these initiatives is greatly hampered by our failure to belong to the Berne Union.

Sincerely yours,

BARBARA RINGER.

Senator MATHIAS. Our next witness is Donald C. Curran, Associate Librarian of Congress, who is the Acting Register of Copyrights. Mr. Curran.

STATEMENT OF DONALD C. CURRAN, ACTING REGISTER OF COPYRIGHTS, LIBRARY OF CONGRESS, WASHINGTON, DC, ACCOMPANIED BY DOROTHY SCHRADER, GENERAL COUNSEL, AND LEWIS FLACKS, POLICY PLANNING ADVISER

Mr. CURRAN. Thank you, Mr. Chairman.

I would like to introduce my two associates, Dorothy Schrader, our general counsel, on my right, and Lewis Flacks, policy planning adviser and specialist in international copyright matters, is on my left.

I am pleased to be here today to endorse the objective of U.S adherence to the Berne Convention for the Protection of Literary and Artistic Works. The Copyright Office's support is based upon our belief that our membership will strengthen the Union, and will benefit American intellectual property interests around the world. Our support is based on two assumptions: That certain provisions of our law—specifically, those dealing with deposit, registration, and recordation matters will be maintained substantially unchanged; and, second, that there is broad support for adherence from the entire copyright community and the public.

What are the benefits of adherence to this treaty at this time? There is no guarantee of any immediate, large economic gain to U.S. interests. The problems of international piracy of books, motion pictures, sound recordings, and computer software will not evaporate if we adhere to Berne, because the nations perceived to be the sites of major piracy generally are not members. The positive balance of trade for U.S. copyright industries as a whole is a function of foreign demand for U.S. works, largely in states party to both the UCC and Berne. In the near term, trade balances depend more on relative strengths of the dollar and business cycles than on copyright treaty relationships.

The objectives and benefits of Berne adherence should be a substantial, if gradual, improvement in the international copyright environment. By playing an active role in the Berne Union, the United States can work to ensure that its position is given full weight in this important forum where international copyright policy is shaped. By adhering to Berne, the United States would support the level of legal rights afforded by Berne.

As long as we remain outside, our voice is formally unheard there and may be discounted to some extent in developing countries where U.S. copyright interests have serious concerns.

We will have to adjust our copyright law in certain respects to join. At the same time, we believe there are areas where the states of the Berne Union will have to tolerate or accept certain fundamental U.S. copyright practices including the public registry and deposit provisions of the law. For, after all, the purpose of U.S. entry is not to alter U.S. law, but, by reasonable accommodations with other states, to bring the totality of U.S. copyright philosophy, politics, law, and commercial practices into the growing body of international copyright law under Berne.

While the Library of Congress uses many sources of acquisition, copyright registration and deposit continues to be a key element of our total acquisitions effort. We believe that the Library's stature as one of the world's great libraries is due in substantial part to our copyright system and the time-honored relationship between copyright and the Library of Congress. Since 1870 the Library has the responsibility for administering the U.S. copyright law, and in many ways the modern Library has been built on this arrangement.

Just as deposit benefits many sectors of American society, so, too, do the public records of the Copyright Office, maintained as part of the registration and recordation procedures long established under American law. These records perform a variety of functions: Providing prima facie evidence of the ownership and validity of copyrights; indicating the scope of claims to copyright with substantial precision; facilitating commercial transactions such as transfers and licenses; creating a record that is open to all to search for various commercial, scholarly, or bibliographic reasons.

The Copyright Office believes that the deposit, registration, and recordation provisions of the present law are substantially Berne-compatible, provided that adjustments to our law are made so that the copyright notice provisions are brought into compliance with Berne.

There are three distinct classes of legislative issues to be addressed in evaluating whether it is in the best interests of the United States to adhere to Berne. They are: formalities, serious impediments to adherence in present U.S. law, and minor divergences from Berne in the present law. I would like to briefly describe each of these, and, of course, in our full statement we cover them in considerably more detail.

Given that conditioning full-term copyright upon the use of the notice is a prohibited formality under Berne, that portion of the law must be changed. To the extent that they are in whole or in part notice-related, the registration, recordation, and deposit provisions must be modified. The renewal and manufacturing clause provisions of the present law appear incompatible with Berne. If the manufacturing clause expires as scheduled, that matter becomes moot; but, the renewal issue requires very careful consideration and legislation. Many contracts exist for which the continuation of the renewal requirement was an important assumption of the parties when these contracts were entered into.

All the questions concerning moral rights, some of which are available piecemeal under a variety of State and Federal statutes and judicial decision, are extremely important, and some modification of Federal law is probably required. The jukebox compulsory license appears contrary to Berne. Although not in and of itself an impediment, the question concerning whether some or all of the provisions of Berne are self-executing requires careful attention and resolution. And, finally, retroactivity: Must the United States restore copyright to any works now in the public domain in this country?

While the range of witnesses you will hear at this and later hearings will likely disagree as to the seriousness of various inconsistencies between present U.S. law and Berne, the following seem worthy of attention: How does our law square with Berne regarding a variety of public performance, broadcasting, and cable television issues; and, is U.S. law limiting the subject-matter protection and/or rights in architectural works compatible with Berne?

Lest these questions suggest that the Copyright Office believes that U.S. law is now largely incompatible, let me assure you otherwise. Most of our law concerning deposit, registration, and recordation can and should remain in force. Berne and U.S. law regarding the mechanical reproduction of music, works of applied art, and works made for hire seem compatible, and U.S. fair-use law and practice comport with Berne and the practices of some of its members.

The Copyright Office has been privileged to sit in on a series of fascinating meetings held under the auspices of the Authors' League of America. These meetings bring together individuals well known in copyright circles who are working in their individual capacities. They are trying to assess where technical incompatabilities between U.S. law and practice and the Berne Convention may be found to exist; to delve more deeply into the nature of any conflict; and hopefully, to consider possible frameworks for the accommodation of domestic interests so as to permit adherence to Berne; if and when a favorable decision is taken.

It has been interests in and of the private sector that, in the past, have resisted our entry into Berne. It is largely the private sector—proprietary interests, commercial users, and noncommercial users—who must reach tentative accommodations for changes in U.S. law to make it consistent with Berne obligations. With the support of the Congress, they should have the time to develop a consensus.

Thank you, Mr. Chairman. We are, of course, ready to answer your questions. In addition, I would like to express our desire to continue to assist the Congress and this committee in any appropriate ways in this endeavor.

Senator MATHIAS. I am very interested, Mr. Curran, in the kind of historical perspective that you take in approaching this problem. You feel that active participation in the Berne Union will be beneficial to American interests overseas as far as intellectual property is concerned. I assume that you take this position because you think this is another step on the road to the recognition of the rights of intellectual property.

Mr. CURRAN. Yes, sir. Much of what has been said by other witnesses here today, we would completely agree with.

Senator MATHIAS. It has been a long road, starting from the time mankind recognized that a particular spot of ground or a particular piece of personal property, a domestic animal, was susceptible of being reduced to individual ownership. It is a large jump from the ownership of some material goods, whether it is real estate or personal property, to the concept of ownership of a subjective idea, something which purely exists in the mind.

You feel this would be one additional step that would give some form, some corporal form, to this insubstantial property?

Mr. CURRAN. Yes, sir. As I have indicated, the Copyright Office and the Library look favorably on this process, and, of course, we feel as the office responsible for administering the copyright law in the United States there are some very significant and important considerations here, which obviously we do not know the answers to and we are not purporting to represent all the answers and all the positions. We think that a considerable amount of work needs to be done and some of that is underway already. This hearing today is the beginning of that process, and we would like to see this process continue in an orderly fashion and that we see all the interests have an opportunity to be heard and thoughtful consideration be given the matter and we advance hopefully in a direction which will allow the United States to adhere to Berne for the reasons we stated.

Senator MATHIAS. The Congress is very proud of its Library. We think the Library of Congress is one of the great institutions not only in Washington but in the Nation. Over a period of 200 years we have slowly accumulated a collection of books which numbers around 13 million volumes. A large part of that collection has been accumulated as a result of registration and deposit. Do you see any problem with continuing that practice under the Berne Convention?

Mr. CURRAN. As I indicated, and I would like to repeat: There are potential problems; but, they are not insurmountable ones. It is a matter of sitting down and working on the process.

I would like to point out that the American copyright deposit system applies to more than just printed works. You mentioned 13 million books and, of course, that is true; but there are 80 million items in the collections of the Library, including millions of pieces of music, thousands and thousands of motion pictures, maps, photographs, the kinds of things which in many deposit systems around the world are not covered nationally as deposits. Our system, through its link to copyright, has acquired those things as a national treasure, as a great cultural resource. We believe that it is possible to adhere to Berne, to make changes in the notice requirement as might be needed and still retain such an acquisitions system. There are some fine questions here that will need some attention. Certainly, however, the answer to the larger question is, we think, yes, we can do so and we would certainly expect that our adherence would allow us to do so.

Senator MATHIAS. So you do not see any overriding objections from your office?

Mr. CURRAN. No, sir; not on that point.

Senator **Mathias**. Under the Universal Copyright Convention, U.S. copyright holders obtain national treatment for copyrighted works in a large number of countries. The number is something like 75 countries, many of whom are already members of the Berne Union. To the extent that these countries are parties to both of the treaties and have copyright laws that reflect their obligations under the Berne Union, are not we already enjoying about all the benefits that we could expect to enjoy if we became members?

Mr. **Curran**. There is a point here which the copyright experts, who are more familiar than I, refer to as entry by the back door of Berne, and I would like our general counsel to explain that relationship. There are reasons, however, to feel that this is not been altogether satisfactory and that the back door could be closed. But as has been mentioned repeatedly by other witnesses, the absence of the United States from Berne still keeps you out of the policy formulation matters that full participation in the Union would allow. May I ask Ms. Schrader to respond specifically to your point?

Senator **Mathias**. Sure.

STATEMENT OF DOROTHY SCHRADER

Ms. **Schrader**. Yes, Mr. Chairman, there are actually two ways in which we, in effect, get Berne-level protection: possibly through the back door to Berne, as Mr. Curran has said, and also by membership of Berne countries in the UCC, of which, of course, the United States is a member. The Berne Union recognizes the place of first publication as one basis for protection of works, if the country is a member of the Berne Union. In theory the United States would gain protection in all countries that are members of the Berne Union by first publication in a Berne Union country such as Canada. At one time it was the United Kingdom where that first publication took place. Frequently now it is done in Canada.

The efficacy of this protection has never been thoroughly tested. There is the potential under the 1914 Protocol to the Berne Convention for the members to close the so-called back door by retaliating in the case of nationals of nonmember countries whose first publication is effected in a Berne country. Again, this is theoretical. The back door has not been fully tested nor has the closing of the back door been fully tested.

As to membership in UCC—the protection is rather clear. The Berne member countries are required to give national treatment under the UCC. Since their laws are supposedly in compliance with the Berne Convention, that means that we should get national treatment at the level of Berne Convention through our membership in the UCC.

There are, of course, some 24 states that are members of Berne and not members of the UCC, and we have listed those in an appendix to our statement on the very last page. Of course, as to these countries we would have to try to use the back door approach if we seek to get Berne protection.

Senator **Mathias**. Finally, let me ask the same question I asked Ms. Constable. Do you think the United States or its citizens have in any way suffered disadvantages by our failure to adhere to the Berne Convention?

Mr. **Curran**. I think that regarding the disadvantages I would basically concur in her remarks. The disadvantage is the absence of the opportunity to more fully participate in the deliberations of the Berne Union. To a certain extent, I think it is more attitudinal than economic, as I tried to indicate. So I am not quite sure that there are—however, there may be more specific disadvantages and perhaps Mr. Flacks, who is much more familiar with this in a technical sense, could add a comment in that regard.

STATEMENT OF LEWIS FLACKS

Mr. **Flacks**. I would only echo an observation which was made by Ms. Ringer and the distinguished Director General of the WIPO. A lot of questions are being asked about what we get out of joining Berne. We have the back door; we have national treatment through the UCC. I think what the American people have lost, what our ideas of copyright justice have lost is that we do not bring our own views into the Berne Convention. Now, you can always obtain protection through the UCC indirectly, but you cannot influence the development of the international principles of copyright and authors' rights except by being in the Berne Union. If we do take issues of authors' rights as economic and human rights quite seriously, then we must recognize the paramount role of the Berne Convention in determining the international protection of authors' rights; these are the issues about which this country should have something to say and for which we should accept the responsibilities of political leadership as a consequence of our economic influence.

Senator **Mathias**. Thank you very much. We will have some additional questions which we will propound to you in writing and request your answers for the record.

Mr. **Curran**. Thank you for having us, Mr. Chairman.

[The prepared statement of Mr. Curran and responses to written questions of Senator Mathias follow:]

STATEMENT OF DONALD C. CURRAN
THE ASSOCIATE LIBRARIAN OF CONGRESS
AND ACTING REGISTER OF COPYRIGHTS
COPYRIGHT OFFICE

Before the Senate Subcommittee on Patents, Copyrights
and Trademarks
Senate Judiciary Committee
99th Congress, First Session
May 16, 1985

Mr. Chairman, I am Donald C. Curran, Associate Librarian of Congress, and since January 2, 1985, Acting Register of Copyrights, pending the appointment of a successor to David Ladd, who resigned at the end of 1984.

We appreciate the opportunity to appear here today to discuss various aspects of the Berne Convention and United States adherence to it. Adherence to the Berne Convention by the United States Government is a desirable objective; the Copyright Office of the Library of Congress supports and encourages adherence. We do so in the belief that our Nation's full and active participation in the Berne Union will strengthen the Union and will be beneficial to American interest in intellectual property around the world. 1/ We recognize the special responsibility of the Copyright Office to be concerned about the rights of copyright owners, and the needs of users of copyrighted works. Our comments today are intended to be neutral in that we do not purport to favor one interest over another -- whether owner or user.

1/ The United States is presently a member of another world-wide copyright convention -- the Universal Copyright Convention -- which has 78 adherents. This Convention now provides significant protection for United States works abroad, and our membership would be maintained even if the United States should join the Berne Union.

The issues to be considered are not always self-evident. Careful consideration must be given to all aspects of our adherence to the Convention. We are here today to assist in that process.

I. GENERAL OBSERVATIONS ON UNITED STATES ADHERENCE TO BERNE

The question of whether the United States ought now to seek adherence to the Berne Convention for the Protection of Literary and Artistic Property (hereafter, "Berne") is the most important international copyright issue the United States has had to consider in many years. Recognizing that sentiment in and out of government appears to be building in favor of United States adherence to Berne -- at least in principle -- the Copyright Office has begun to study carefully the Convention's requirements, the relationship of those requirements to our present Copyright Act, and, in particular, how United States adherence to Berne might require or provide the occasion for changes in those aspects of the copyright laws which directly relate to the mission and public services of the Library of Congress and the Copyright Office. Our testimony today is therefore tentative; as congressional action progresses, we would hope that there will be opportunities for us to comment in more detail on particular implementation questions. An internal educational and discussion process is underway in the Copyright Office.

The Copyright Office has been privileged to sit in on a series of fascinating meetings held under the auspices of the Authors' League of America. These meetings bring together individuals well known in copyright circles who are working in their individual capacities. They are trying to assess where technical incompatabilities between United States law and practice and the Berne Convention may be found to exist; to delve more deeply into the nature of any conflict; and hopefully, to consider possible frameworks for the accommodation of domestic interests so as to permit adherence to Berne, if and when a favorable decision is taken. Because many of the major issues surrounding adherence to Berne concern the private sector, including users of copyrighted works, we attach special importance to the Authors League effort and to any similar endeavors. It has been interests in the private sector that in the past have resisted our entry into Berne. It is largely the private sector -- proprietary interests, commercial users, and noncommercial users -- who must reach tentative accommodations for changes in United States law to make it consistent with Berne obligations. With the support of the Congress, they should have the time to develop a consensus.

Mr. Chairman, the Copyright Office is favorably disposed toward United States adherence to the Berne Convention. This support in principle is subject to two assumptions: 1) that certain fundamental principles of our law -- specifically, the deposit-registration-recordation provisions -- are maintained; and 2) that the perceived benefits of United States adherence in fact lead to a public and political consensus about the necessary changes in our law to make it consistent with the minimum obligations of Berne. Berne adherence would then appear to be a step fully compatible with the emergence of the United States as a major exporter of copyrighted materials whose protection abroad is more often than not determined by the laws of states bound by the Berne Convention. The insularity of United States international copyright policy was broken in the mid-1950's by the adoption of the important Universal Copyright Convention; and, the enactment of the 1976 Copyright Act removed some, but not all, of the major impediments to United States adherence to Berne.

Others, from the Administration and the private sector will doubtlessly explain how United States adherence to Berne may promote the protection abroad of important American cultural exports. 2/ The Library of

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2/ If we adhere to the Berne Convention, the United States will thereby regularize its copyright relations with some twenty-four states which adhere to Berne but not the Universal Copyright Convention. A list of these states appears at Appendix A.

Congress and the Copyright Office approach the question in principle as one of comity of how best to associate ourselves with those other nations which grant valuable rights to authors in the interests of society as a whole.

Just as the United States may have to adjust its law in certain respects to comport with Berne, there are areas where, to have the United States in the Convention, the states of the Berne Union will have to tolerate or accept certain fundamental United States copyright policies including but hardly limited to the public registry and deposit provisions of the law.

The Library of Congress, as you know, is a repository not only for United States cultural expression, but for that of the entire world. We see more than any one copyright interest the global reach of United States authorship, creativity, expression and style. Our authors have global audiences; the dynamic interweaving of cultural communications has broken down the possibility of completely severing domestic from international copyright considerations. In an earlier age, widely different copyright laws may have been quite tolerable. Now, however, the impact of technologies has brought national markets closer to one another. We believe that a greater degree of harmony and international uniformity in copyright laws is essential to secure to authors and their audiences international equality of treatment and access. Both copyright proprietors, and copyright users are engaging in transactions of an international character. Libraries and archives are developing international networks every bit as important as those being forged by motion picture distributors and publishers or data base proprietors. All interests affected by copyright have a stake in predictable and fair, simple and ideally uniform, international copyright regimes.

Others may stress the desirability of "Berne-style" copyright systems. There are no doubt attractive features. It should be remembered, however, that the purpose of United States entry into Berne is not to alter our law, but, by reasonable accommodations with other states, to bring the totality of United States copyright philosophy, politics, law, and commercial practices into the growing body of international copyright law within Berne. In sum, we perhaps should be in Berne so as to shape the development of this powerful treaty instead of remaining mere observers.

II. HISTORY AND BASIC PRINCIPLES OF THE BERNE CONVENTION

A. Early History

The Berne Convention of 1886 was the product of 28 years of study and conferences, which began at the 1858 Congress of Authors and Artists in Brussels, Belgium. The authors' objectives were profoundly simple and profoundly radical: that recognition of copyright in favor of authors "must be made part of the legislation of all civilized countries;" that the recognition of copyright among states not be based upon reciprocity; that no discrimination in rights be permitted between foreign and national authors; that the imposition of formalities for the "recognition and protection" of copyright in foreign works be curbed; and, "that all countries adopt uniform legislation for the protection of literary and artistic works." (emphasis added).

Many of the most deeply held desires of authors and artists for recognition of their economic rights in their creations were written into the first Berne Convention. And, most importantly, a "union" of states was established, within which the balance of national and international copyright law would be refined and adapted to changed circumstances. Though primitive by today's standards, the 1886 Berne Convention included provisions which remain cornerstones of the Convention today.

B. 1908 Berlin Revision

Since its inception, the Convention has been revised five times, one of the most important being concluded at Berlin in 1908. It is at the Berlin Conference where the Convention was amended to include many of those norms which even today characterize "Berne-style" copyright protection, at least as a matter of popular impression. Professor Stephen Ladas summarizes:

> The most important amendments adopted at Berlin were the following: The Convention defined more fully the literary and artistic works to be protected, and made it clear that the contracting countries were bound to afford protection by their law to all of these works. Photographic works were explicitly included. Protection was made subject to no formality what so ever--and independent of the existence of protection the country of origin. The Convention provided that protection under it endured for the life of the author and fifty years after his death, subject, however, to different regulation by the law of each country. Translation rights were now recognized for the entire term of the copyright without restriction. Recognition was given to the right of authors of musical works to authorize the adaptation of their works to mechanical instruments, and the public execution of such works by such instruments .... Likewise, the Convention recognized the exclusive rights of authors to authorize the reproduction and public presentation of their works by the cinematograph. [3]

The Berlin revision largely coincided with the development and enactment of the 1909 United States Copyright Act. Although many interest groups, the Congress, and the Administration were aware of the Berne revision proceedings, the law of March 4, 1909, which was to be the basic copyright law of the United States for almost 70 years, pursued policy lines at odds with major provisions of the Berlin text.

The decisions made in Washington in 1909 and in Berlin in 1908 were to set the United States and the Berne Union upon separate paths, largely based upon a differing approach to copyright duration and formalities. With the revision of Berne at Rome (1928) and Brussels (1948), and the failure of several United States revision efforts aimed at permitting United States adherence to Berne, the paths would not even begin to converge in material ways until the enactment of the 1976 Copyright Act.

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[3] S. LADAS, THE INTERNATIONAL PROTECTION OF LITERARY AND ARTISTIC PROPERTY 93 (1938).

C. 1971 Paris Version

The present text of the Berne Convention to which the United States would adhere is that concluded at Paris in 1971. Ignoring for the time being administrative provisions, the Berne Convention today contains 20 Articles, defining the subject matter of protection under the Convention, setting out points of attachment with the Convention which give rise to the obligation to protect these works, establishing the rule of national treatment and the independence of copyright protection as among the countries of the Union from protection in the country of origin, enumerating certain minimum economic and moral rights of authors with respect to the utilization of their works, establishing both specific opportunities to exempt certain uses from the exclusive rights guaranteed by the Convention, setting down special provisions taking account of the unique circumstances surrounding the creation and dissemination of motion pictures, and governing [illegible]roactive application of the Convention.

The substantive provisions of the Berne Convention cannot be accurately capsulized in a summary statement. Indeed, the meaning of many of the provisions of the Berne Convention cannot fully be found from a mere reading of the 1971 Paris Act. Copyright treaties simply do not exist in isolation from the domestic copyright laws of states party to such treaties. This is well-recognized in the case of the Universal Copyright Convention (UCC), which contains few specific obligations as to rights, limitations, or the exercise or enforcement of copyright. The UCC stresses instead non-discriminatory national treatment. It should not be forgotten however, that the same is true in part in the case of Berne.

The Berne Convention has three general types of provisions: 1) specific rules that guarantee rights to authors and proprietors ("jus conventionis"); 2) rules that establish more general obligations, leaving the details to national legislation within specified limits ("refer back" rules), and 3) optional rules whose acceptance is left entirely to national law. Absent specific legislation, and depending upon domestic jurisprudence, rules that are susceptible of direct application (principally "jus conventionis" rules) could be given legal effect by adherence to the Convention. [Article 36]. The range of options open to a member of the Berne Union in implementing Convention obligations is reflected in the diversity of national legislative approaches within the framework of the Convention. Of the many ambiguous questions surrounding applying copyright to changes in markets, technologies, user and proprietary behavior, media of creation and exploitation, Berne may provide few answers on its face and much conflicting practice among the members of the Union. The pendency before the Congress in recent years of bills dealing with cable television and rights associated with "home video" make it desirable for the Congress to explore the application of Berne to these issues. The Copyright Office encourages such a review. "Copyright" --in an idealized form -- is not defined by the Berne Convention. As the GUIDE TO THE BERNE CONVENTION [4] observes:

> ... the very concept of copyright from a philosophical, theoretical and pragmatic point of view differs country by country, since each has its own legal framework influenced by social and economic factors. To define in a manner binding on all member countries would be difficult if not impossible. [5]

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[4] GUIDE TO THE BERNE CONVENTION, World Intellectual Property Organization (Geneva; 1978) (hereafter, the "WIPO GUIDE").

[5] Id. at 11.

With these caveats in mind, several generalizations about the substance of the 1971 Paris Act of Berne may be offered for future and more precise analysis.

When referring generally to "literary and artistic works," the Berne Convention means "every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression." [Article 2(1)]. The Convention contains an illustrative listing of such works, including forms of expressions such as "books" "choreographic works," "painting," "architecture," "photographic works to which are assimilated works expressed by a process analogous to photography," "illustrations," and "three dimensional works relative to geography, topography, architecture or science," to name but a few. As in the United States copyright law, the subject matter of protection under Berne is established with reference to the creative nature of a work, not its medium of expression or any particular technology of fixation.

The-familiar provisions of section 103 of the United States copyright act concerning the protectability of compilations and derivative works are reflected in Articles 2(3) and (5) of the Berne Convention. Further, the extension of copyright protection to governmental or other official works is subject to the discretion of Union states under Article 2(4) of the Convention. The Convention contains an express provision excluding from the scope of its obligations that of protecting by copyright "news of the day or ... miscellaneous facts having the character of mere items of press information." [Article 2(8)]. The rationale of this provision draws the familiar line between the non-protectability of facts, per se, as opposed to the protectability of particular original expressions of fact, containing "sufficient intellectual effort for them to be considered as literary and artistic works." 6/

The obligations of states within the Union to protect works depends upon certain eligibility criteria being satisfied. Minimum eligibility requirements are specified in Articles 3 and 4 of the Convention. Oversimplifying somewhat, Berne provides that the protection of the Convention applies to the published and unpublished works of authors who are nationals of a country of the Union; and, to the works of non-Unionist authors which are first published in a country of the Union (including simultaneous publication in a Berne and a non-Berne country). For purposes of the first criterion, domiciliaries of Convention countries are treated the same as nationals.

The second criterion, that of first publication in a Berne Union country, is the basis upon which United States works have long secured protection in states party to Berne. Our copyright owners have used the device of simultaneously publishing works in the United States and the nearest important Berne country market: Canada. This procedure has been commonly referred to as "the Backdoor" to Berne.

Formalities of a certain kind cannot be applied to works having a country of origin (generally the place of first publication) other than the country where protection is sought. The Convention by its terms does not govern protection for works in their country of origin. Therefore, formalities can be maintained for works in their country of origin.

The Berne Convention contains a number of articles establishing minimum terms of protection, in general and for specific works. As mentioned earlier, the Berne Convention adopted the minimum term of life of the author plus 50 years post mortem as early as 1908; yet, it became a mandatory

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6/ Id. at 23.

requirement only in 1948. Special minimum terms of protection are provided for cinematographic works, anonymous and pseudonymous works, photographs and works of applied art insofar as they are protected as artistic works. For motion pictures, the minimum term is "50 years after the work has been made available to the public with the consent of the author, failing such an event within 50 years from the making of such a work, fifty years after the making." The provision as to anonymous and pseudonymous works is structurally similar to Section 302(c) of the United States Copyright Act, with the exception that the Convention's minimum term is 50 years from authorized public availability of the work, rather than our law's 75 years from first publication or 100 years from creation. The minimum term of protection for works of applied art and photographs under Berne is 25 years from the making thereof.

The minimum economic rights of authors specified in the Berne Convention are those familiar to students of the copyright laws of most countries of the world, including countries outside of the Berne Convention: the exclusive right of translation; the exclusive right of reproduction; the right of public performance or recitation (which in Berne is divided basically into two broad categories: broadcasting and non-broadcasting public performances); the right of adaptation, that is, to authorize the adaptation, alteration or arrangement of works; and, the right to record musical works.

In addition to the specific minima, the Convention requires member states to accord national treatment to foreign works, thus prohibiting discrimination against foreign works and their authors.

The Berne Convention does not contain express recognition of the right of public distribution, in the fashion of Section 106(3) of the United States Copyright Law, nor of the right of public display created by Section 106(5) of the 1976 Copyright Act. The silence of the Convention on the right of public display probably reflects its relative novelty. The absence of specific rules as to the scope of distribution rights for all or certain works may reflect the variable practices of states. Some contend that the distribution right is part of the reproduction right. Uniform rules on these important areas of copyright law and practice apparently do not exist.

As is the case with national copyright laws, the Berne Convention permits exceptions to exclusive rights. Berne permits exceptions permitting free quotations from publicly distributed works "providing that their making is compatible with fair practice and their extent does not exceed that justified by the purpose ...." [Article 10(1)]; and, special exemptions favoring the reproduction of articles on "current economic, political, or religious topics" are permitted under certain circumstances.

Union states are further allowed to "permit the utilization, to the extent justified by the purpose, of literary or artistic works by way of illustration in publications, broadcasts or sound or visual recordings of teaching, providing such utilization is compatible with fair practice." [Article 10(2)]. And, Union states are allowed, with respect to the exclusive right of reproduction,

> to permit the reproduction of such works in special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author. [Article 9(2)].

With respect to public performance rights other than broadcasting, apart from specific exceptions such as Article 10(2) and 10 bis, dramatic, dramatico-musical and musical works are accorded unqualified rights. However, "minor reservations" to non-broadcast public performances are tolerated among the states party to Berne, in accordance with a broad understanding reached during the Stockholm revision conference in 1967.

In the important area of public performance by broadcasting, the Berne Convention establishes a comprehensive right applicable to traditional broadcasting, wire diffusion, retransmission, rebroadcasting and public communication of broadcasts. Unlike the case of non-broadcast public performances, however, the Berne Convention permits of the application of compulsory licenses in the case of the broadcasting right.

The Berne Convention also contains provisions authorizing states to legislate exemptions permitting ephemeral recording, essentially similar to the system adopted in section 112 of the 1976 Copyright Act.

With respect to the rights of authors of musical works to authorize the recording of their compositions, the compulsory license for making and distributing phonorecords of nondramatic musical works in the United States Copyright Law has long had its analog in the Berne Convention.

The Berne Convention has a number of interesting provisions relating to copyright in cinematographic works. They are recent, having been adopted at the 1967 Stockholm Conference. Oversimplifying a rather complex subject, the relevant provisions of the Berne Convention attempt to define minimum rights and points of attachment for protection to cinematographic works with reference to the "author" of a film, while leaving to national legislation discretion to determine who such an author is.

Apart from the economic rights of authors in their works and permissible limitations upon such rights, the Berne Convention contains provisions regarding a unique regime known as "moral rights." A subject of continuing deep interest, "moral rights" encompass a variety of specific interests authors have with respect to public utilization of their works, more in the nature of artistic and professional integrity than pure commerciality. The recognition and progressive elaboration of the moral rights of the author is and has long been one of the distinctive features of the Berne Convention.

Article 6bis of the Convention does not apparently exhaust the potential scope of so-called "moral rights," however, as recognized in states party to the Berne Convention. Some states include the right to first publish a work as a moral rather than economic right, or recognize the author's right to object to unfair or excessive criticism of his or her work, or the right of an author to withdraw a work from circulation (subject to compensation of authorized distributors). The Convention does not elaborate on the important question of assignability or waivability of moral rights by specific agreement.

The Convention establishes minimum obligations regarding protection of works in existence prior to the coming into force of the Convention, including works in the public domain. [Article 18]. This provision for retroactivity cuts two ways: it could affect protection for pre-existing United States works in other Berne countries, and restoration of protection for foreign works in the United States public domain for reasons other than expiration of the term of copyright.

Finally, it should be noted that the Berne Convention contains a number of provisions applicable to the special needs of developing countries which largely duplicate provisions found in the Universal Copyright Convention.

III. FORMALITIES

At least since 1908, the absence of "formalities" has been generally understood as one of the salient characteristics of the Berne Union. Nonetheless, many, but not all, Berne states do maintain provisions very similar to the United States' registration and recordation requirements. Even notice of copyright is retained for limited purposes in a few countries.

The Copyright Office and the Library of Congress consider that the public benefits of our deposit, registration, and recordation provisions are clear, and that they can and should be retained essentially intact if the United States adheres to Berne.

In the context of the Berne Convention, formalities are generally understood to be legal conditions which, if not fulfilled, affect the existence, scope of rights, or continuing validity of a copyright. Article 5(2) of the Berne Convention requires, as a minimum obligation for all member countries, that the "enjoyment and exercise of ... rights [in works protected under the Convention] shall not be subject to any formality." The laws and practices of Berne Countries that impose restrictions on the enforcement of rights and discussion of formalities in the GUIDE TO THE BERNE CONVENTION support the view that the Berne Convention permits a distinction between those formalities whose observance constitutes a "condition...for the right to exist" [7] and procedural or judicial formalities. Formalities that constitute a condition of copyright protection are forbidden; those of a procedural or judicial nature are not.

Formalities have played an important role in United States copyright law. Although formalities have been liberalized or reduced in the present law, the provisions concerning copyright notice, registration of claims to copyright (including renewals), recordation of copyright transfers, and mandatory deposit of published copies and phonorecords for the Library of Congress must be examined to determine whether or not they constitute a prohibited formality under the Berne Convention.

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[7] WIPO GUIDE at 33, ¶5.5.

A. Notice

Notice has been a requirement of United States copyright law since 1790, and the requirement that such notice be placed on published copies has been in the law since 1802. [8] These notice requirements were conditions of copyright protection. Under the previous copyright law, the Act of 1909, with the exception of certain unpublished works, copyright protection was secured by publication with a copyright notice on all copies; this notice had to be in a specified form and position. A frequently cited criticism of that law was the rigidity and unfairness of the notice provisions. Between 1924 and 1941, in an attempt to permit the United States to become a member of the Berne Convention, a number of bills were introduced in Congress to eliminate the notice of copyright as a condition of copyright protection; these bills, however, included substantial inducements which encouraged the use of the notice. [9] Over the years certain author and publisher groups argued for complete elimination of the notice requirement. Others supported its retention. The arguments against a mandatory copyright notice have included:

> 1. Notice is anomalous. -- Everyone is entitled to the fruits of his labor; the notice requirement, which forces an author to make an affirmative claim or forfeit copyright protection, is in basic conflict with this principle.
>
> 2. Notice is anachronistic. -- Most of the other countries of the world have no general notice formalities, and in clinging to the requirement the United States is hopelessly behind the times.

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[8] See generally DOYLE, CARY, MC CANNON & RINGER, Notice of Copyright, Copyright Law Revision Study No. 7, Senate Subcomm. on Patents, Trademarks, and Copyrights, 86th Cong., 2d Sess. (Comm. Print 1960).

[9] Id. at 37-45.

3. Notice is useless. -- Since anyone wishing to determine the ownership or expiration date of a copyright must necessarily go beyond the notice, it is in reality a meaningless technicality.

4. Notice is unjust and oppressive. -- Many copyrights are lost because of technical defects in the notice over which the author had no control; an author is not a businessman and is not equipped to deal with complex formalities.

Arguments in support of a notice requirement have included:

1. Notice is socially desirable. -- No one is interested in copyrighting the large majority of published works but, without formalities, they would be pointlessly kept in the private domain for many years; this would inevitably hamper scholarship and free cultural interchange.

2. Notice fits the U.S. situation. -- Far from being an outmoded concept, notice is increasingly needed to meet the demands for copyright information created by technological developments and the growing number of "secondary users."

3. Notice accords with the U.S. theory of copyright. -- Copyright in the United States is a limited grant of a monopoly to provide an incentive to creation, rather than a natural right of the author. It is thus appropriate to require the author to fulfill certain conditions which are of benefit to the public.

> 4. Notice is effective in practice. -- Notice fulfills a vital function in informing the public that a claim exists, and in providing users with at least a starting point for determining ownership and duration. The burden of affixing a notice is generally very slight. [10]

In 1961 the Register of Copyrights stated that he believed that the public interest was served by "keeping free of copyright restrictions the great bulk of published material in which the authors do not wish to secure copyright." [11] The Register noted that "[t]he copyright notice is a simple and highly useful device to accomplish that purpose and also give the public information as to the copyright status and ownership of any work." [12] The Office therefore urged continuation of a notice requirement on published copies but recommended certain changes to avoid the forfeiture of copyright through omission or errors in the notice. The notice requirements were substantially liberalized in the present copyright law. (See 17 U.S.C. §§ 401-406.)

The basic notice provisions of the 1976 Copyright Act are set forth in sections 401 and 402. Section 401 covers the notice on published, visually perceptible copies; section 402 covers the notice on phonorecords of sound recordings. Omission of the notice does not invalidate the copyright if the omission is "from no more than a relatively small number of copies ...

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[10] *Id.* at 46, 47. *See also* BLAISDELL, *Commercial Use of the Copyright Notice, Copyright Law Revision Study No. 8*, Senate Subcomm. on Patents, Trademarks, and Copyrights, 86th Cong., 2d Sess. (Comm. Print 1960) and ROGERS, *Use of the Copyright Notice By Libraries, Copyright Law Revision Study No. 9*, Senate Subcomm. on Patents, Trademarks, and Copyrights, 86th Cong., 2d Sess. (Comm. Print 1960).

[11] *Report of the Register of Copyrights on the General Revision of the United States Copyright Law*, House Comm. on the Judiciary, 87th Cong., 1st Sess. (Comm. Print 1961) p. 63.

[12] *Id.*

distributed to the public" [illegible] or if the work has been registered in the United States Copyright Office within five years after publication without notice, and if a "reasonable effort is made to add notice to all copies ... that are distributed to the public ... after the omission has been discovered." [illegible] There are special safeguards for innocent infringers who rely on the absence of notice in a good faith undertaking.

Under the present law omission or mistakes amounting to an omission of the notice can result in the work being placed in the public domain in this country if prescribed corrective measures are not taken within the statutorily specified time frame. This constitutes a prohibited formality under Berne, at least as applied to works whose country of origin is another Berne state. The present notice provisions thus conflict with the Berne Article 5(2) prohibition on formalities and, should the United States adhere to the Berne Convention, changes in the notice provisions of the United States law would be required.

There are at least three possible approaches to resolve the conflict between the United States law and the Berne Convention. First, a notice of copyright could be required as a condition of copyright for works of United States nationals which are first published here. Second, a voluntary notice system with significant incentives to encourage use could be adopted. Finally, the notice requirements could be eliminated entirely. In 1986 the American Bar Association's Patent, Trademark and Copyright Law Section adopted a resolution approving in principle "legislation providing for the elimination of all copyright notice requirements under the Copyright Law of the United States." [illegible] It is evident to the Copyright Office [illegible] the [illegible]

[illegible] 17 U.S.C. §405(a)(1).

[illegible] 17 U.S.C. §405(a)(2).

[illegible] AMERICAN BAR ASSOCIATION, SECTION OF PATENT, TRADEMARK AND COPYRIGHT LAW, 1986 SUMMARY OF PROCEEDINGS [illegible] (1986).

parties, including noncommercial users in particular, now feel about retention of a copyright notice, and at this point we do not recommend any particular solution. It would seem that the time is now ripe for a public debate to re-examine the utility of a copyright notice.

B. Registration and Recordation

As stated earlier, the Copyright Office does have a position on retention of the current United States registration-recordation system: it can and should be retained if the United States adheres to the Berne Convention. This system provides important benefits for authors, proprietors, users, and the public in general. There is ample legal justification for the view that the present system, with one exception, is compatible with the minimum obligations of the Berne Convention. Except where registration becomes mandatory because of omission of the copyright notice, no changes should be made in our registration-recordation system. Total elimination of all "formalities" is not required by the Berne Convention.

The United States throughout its copyright history has maintained a strong, public registration system. The present registration system, while generally permissive, has retained its vitality under the current Copyright Act because of its clear benefits and certain inducements to make registration. The decision to retain and strengthen the public registration system was made early in the effort leading to the 1976 general revision of the copyright law, and was never challenged. The choice is not between a public registry and no registry; the choice is between a single centralized public registry and a variety of private systems involving varying costs, scope, and responsiveness to public needs. [16] Moreover, questions of full public access and of possible antitrust problems would likely arise with private registries.

The present public registration-recordation system benefits authors and other owners of copyright (proprietary interests), commercial and non-commercial users of copyrighted works (user interests), and the general public.

For proprietary interests, the public registry provides evidence of copyright ownership and prima facie weight as to copyright validity; establishes priority of creation and authorship of pseudonymous/anonymous works; facilitates commercial transactions in copyright interests; facilitates reversion of copyright to authors following termination of licenses; and provides a certificate that is useful in discouraging infringers, even short of litigation.

For user interests, in addition to facilitating licensing arrangements, the public registry provides a centralized record of copyright properties and related documents; facilitates the calculation of the term of copyright for special categories of works; and provides a record that can be searched for marketable material.

For the general public, the public registry facilitates determinations of the copyright status and ownership of a work; provides information to assist in obtaining rights and permissions; establishes a basis for an innocent infringer defense in copyright litigation; limits the scope of copyright claims through statements in the registration records; effects substantial economies in litigation by simplifying proof of facts, by assisting in resolution of legal issues and in narrowing the points in controversy, and by ordering the burden of proof; and facilitates uniform application of the copyright law throughout the country by pre-judicial examination for prima facie validity.

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[16] See Kaplan, The Registration of Copyright, Copyright Law Revision, Study No. 17, Senate Subcomm. on Patents, Trademarks, and Copyrights, 86th Cong., 2d Sess. 46 (Comm. Print 1960).

Since the accuracy of a public registry is enhanced by filings contemporaneous with the factual events to be recorded, the current Copyright Act induces registration shortly after publication: 1) by automatically according prima facie weight as to copyright validity if registration is made within five years of publication (or in unpublished form) -- otherwise, the evidentiary weight accorded a certificate of registration is left to the discretion of the court; and 2) by conditioning the award of the highly-favored remedies of statutory damages and attorney's fees on registration prior to the act of infringement. These incentives to registration should not be disturbed. Registration must also be attempted as a prerequisite to a suit for copyright infringement, and must be made in order to accord constructive notice effect for a recorded document. Recordation similarly must be made: 1) as a prerequisite to an infringement suit by someone other than the author, and 2) as a means of determining priority between conflicting transfers and according constructive notice effect to a document.

No one would seem to question that the prima facie evidentiary benefit is a permitted procedural "formality," or that registration as a condition of statutory damages and attorney's fees, which are extraordinary judicial remedies, also qualifies as a permitted "formality." The constructive notice effect of recordation and recordation's usefulness in establishing priority of transfers also clearly seem to qualify as procedural "formalities."

Registration and recordation as a prerequisite to an infringement suit, in the view of the Copyright Office, are also permissible formalities, except that the link between absence of notice of copyright and mandatory registration to save the copyright must be adjusted for works by non-U.S. nationals and works first or simultaneously published in another Berne country.

Under current law, registration is not a condition of copyright protection except when the work has been published without notice of copyright. In all other cases registration (and recordation) is procedural or relates to judicial formalities. Even as a prerequisite to litigation, registration/recordation is not a condition for the right to exist. When one examines the laws of Berne members, especially in South and Central America, one finds public registration requirements that are closer to proscribed formalities than those present in the United States system. [17]

As we shall note in connection with the mandatory deposit system, the acquisition of materials by the Library of Congress under the copyright law occurs principally through the incentive-based registration system and not primarily pursuant to the deposit requirement of 17 U.S.C. §407. Significant changes in the incentives for copyright registration could alter the timeliness or completeness of acquisitions for the national library.

The United States registration-recordation system exists not merely for the benefit of proprietary interests. Those interests might or might not be equally well served by private registries. It is the public interest that would not be well served by them. If the United States adheres to the Berne Convention, the public registration-recordation system, with its time-tested values, need not and should not be compromised or diluted.

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[17] See e.g., Copyright Statute of Argentina, Art. 63, and Copyright Statute of Chile, Art. 74, in COPYRIGHT LAWS AND TREATIES OF THE WORLD, Argentina: Item 1 at 8, and Chile: Item 1 at 12, respectively (1982).

C. Deposit

A deposit requirement has been an integral part of the United States copyright system. [18] In 1865 at the request of the Librarian of Congress, Ainsworth R. Spofford, the Library of Congress became the permanent beneficiary of the deposit requirement. Spofford envisioned the Library of Congress as a national library and he saw the copyright system as a way to achieve that goal. The copyright acts of 1870 and 1909 had deposit requirements; failure to comply could result in forfeiture of the copyright.

Many countries have some sort of deposit requirement for the enrichment of the collections of their national libraries; however, not all such laws are tied to copyright. Most European nations that are members of the Berne Convention have "legal deposit" laws which provide for deposit independently of copyright; these laws are usually restricted to copyrighted, printed publications. With regard to the adoption of a "legal deposit" system not tied to copyright in the United States, Elizabeth Dunne stated:

> [i]f a "legal deposit" system covering all domestic publications without regard to copyright were desired, the constitutional basis for requiring the deposit of works not under copyright would need to be considered .... [19]

Before 1978, deposit was tied to registration -- both were mandatory. Under the present law deposit and registration are regarded as "separate though closely related: deposit of copies or phonorecords for the Library of Congress is mandatory, but exceptions can be made for material the Library neither needs nor wants; copyright registration is not generally mandatory, but is a condition of certain remedies for copyright infringement." [20] The function of the mandatory deposit requirement, section 407 of the Copyright Act, is to provide the Library of Congress with copies of works published with a notice of copyright in the United States. The function of registration is to provide a public record concerning an applicant's claim to copyright (assuming that prima facie the claim is warranted by law). However, it also necessarily requires a deposit of actual copies or phonorecords of the work or of appropriate identifying material, and these deposits represent the principal copyright law source for additions to the Library of Congress' collections.

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[18] See generally E. Dunne, Copyright Law Revision, Study No. 20, Deposit of Copyrighted Works, Senate Committee on the Judiciary, 86th Congress, 2d Sess. (1960 Committee Print) (hereafter cited as "Dunne").

[19] Id. at 33.

[20] H. Rep. No. 1476, 94th Cong., 2d Sess. 150 (1976).

Since noncompliance with the mandatory deposit requirement of the present law does not result in a forfeiture of any aspect of copyright protection, the present deposit system does not constitute a prohibited formality under the Berne Convention.

Amidst the details of deposit, registration and their relation to the systematic acquisition of materials for inclusion in the collections of the Library of Congress, it is important not to lose sight of a fundamental policy objective which has grown up in the 110 years that copyright functions have been lodged in the Library of Congress: that the copyright system can appropriately be structured to assure to present and future generations of Americans a living record of their society, maintained by the National Library. This has been achieved by a judicious balance of mandatory deposit requirements and registrations made for commercial or personal purposes by copyright owners and authors. Should the United States adhere to the Berne Convention, this policy cannot be compromised without performing a major disservice to today's and tomorrow's scholars, and to authors themselves (for, authors are among the principal users of libraries).

Whatever the practices of Berne states as to the kinds of materials which are subject to mandatory deposit for the benefit of national libraries, United States entry into the Berne Convention ought to provide the occasion for our country to affirm the right and the social duty of national libraries to acquire, preserve and make accessible to all, the material expressions of national cultural life. And, further, that the carrying out of such a function in the 20th and 21st centuries cannot be limited to "printed publications" any more than a nation's culture and communications can be confined to the printed page. Reasonable accommodations with rightsholders so as to avoid undue economic burdens, particularly those which might arise out of a multiplicity of national deposit requirements, have and can continue to be agreed upon. So, too, should arrangements to mitigate the consequence of mandatory deposit systems upon rightsholders in particularly expensive or limited edition type materials.

The Library of Congress would expect, of course, to have the opportunity to be heard in connection with particular proposals in the nature of implementing legislation which would have the effect of reducing the probability of timely, and comprehensive acquisition through copyright of the range of materials any national library in a democratic society should be preserving. In this connection, we would call the Congress' attention to the fact, as briefly noted earlier, that the acquisitions of the national library through the copyright system has long rested upon the registration of claims to copyright, accompanied by an archivally acceptable deposit, rather than through the cumbersome and expensive enforcement proceedings of mandatory deposit. Alterations in the role of registration, in the inducements to timely registration, and in the legal effects of registration, could have the unintended effect of badly disrupting the systematic acquisition activities of the Library of Congress.

The Library of Congress nonetheless realizes that the interests of authors and rightsholders, of users of copyrighted works all over the world, may be well served by the entry of our nation into the Berne Convention. We are prepared to work in a spirit of goodwill with rightsholders, library organizations and the Congress in this matter.

The Copyright Office recommends that the following points be addressed in any amendment of 17 U.S.C. §407: 1) any point of attachment for mandatory deposit in lieu of the notice must be constitutional; 2) strong enforcement provisions must be retained; and 3) works in all formats must be covered -- that is, the mandatory deposit requirements should not be limited to printed publications.

D. Renewal Registration

Accommodating the present renewal provision of the United States copyright law may constitute a most thorny problem should the United States adhere to the Berne Convention. The legal incompatibilities involve both the prohibition against formalities and the minimum term of protection. The practical problems of changing a provision upon which generations of copyright contracts have been concluded are conceptually immense.

The current United States copyright law provides that any copyright in its first term of statutory protection on January 1, 1978 (the date when the general revision of the copyright law took effect), must be the subject of a renewal registration in order to secure a further term of 47 years. Unless renewal registration is made in the last year of the 28-year term, copyright protection terminates at the end of such term. Since failure to register causes loss of protection, the renewal provision, as applied to works whose country of origin is another Berne state conflicts with Article 5(2). In addition, it is possible that even as applied to United States nationals and works first published here, the renewal provision may conflict with the minimum term required by Article 7.

It was estimated that when the current United States copyright law went into effect there were at least 6.6 million copyrights subsisting: approximately 6 million were in their first term. [21] Many existing contracts were made on the basis of renewal expectancies, and Congress decided in 1976 that it would be unfair and cause considerable confusion to cut off or alter these interests. [22] Under the present system, renewal registrations will have to be made until the year 2005.

E. Manufacturing Clause

Since 1891, the United States copyright law has always contained a requirement -- known as the "manufacturing clause" -- that certain processes performed in the manufacture of books and periodicals must be done in the United States (or since 1978, in the United States or Canada). The incentive for manufacture of copies in this country has been either denial of copyright in works manufactured in violation of the "clause" (the law from 1891 to 1978), or limitations on specific rights (the present law).

Under the current copyright law, certain nondramatic literary materials in the English language must be manufactured either in the United States or in Canada in order for the work to enjoy the full remedies provided by the copyright law in an action for infringement of the rights of reproduction or distribution. Section 601(d) of the Copyright Act specifically provides that "importation or public distribution of copies in violation of this section does not invalidate protection for a work under this title." For the most part, the "clause" now applies only to works by United States citizens or domiciliaries and under special circumstances, even these works can be exempted. Foreign authors are by and large exempt from the "clause."

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[21] Sen. Rept. 94-473, 94th Cong., 1st Sess. 122 (1975).

[22] _Id._ and H.R. Rept. 94-1476, 94th Cong., 2d Sess. 139 (1976).

A conflict nevertheless seems to exist between the United States requirement of domestic manufacture and Berne's prohibition against formalities. It should be emphasized, however, that the practical economic consequences of this conflict are relatively insignificant, at least insofar as copyright owners and authors are concerned.

The question again is whether the "manufacturing clause" is a forbidden formality within the meaning of Article 5(2) of Berne ("the enjoyment and the exercise of these rights shall not be subject to any formality..."). Failure to manufacture works in accordance with the requirements of Section 601 of the 1976 Copyright Act, under specified conditions deprives authors and copyright holders of the full rights of reproduction and distribution in the United States which title 17 would otherwise confer on nondramatic literary works. Although far less drastic in its consequences than previous incarnations of the manufacturing clause, the penalties for non-compliance in the 1976 Act are material and serious.

The Copyright Office has generally favored the elimination of the manufacturing clause from the copyright laws. The "clause" is now scheduled to expire July 1, 1986. Its elimination would remove one of the generally perceived barriers to United States adherence to Berne.

IV. BERNE AND UNITED STATES LAW COMPARISON (OTHER THAN FORMALITIES)

In this part of our statement, the Copyright Office is attempting to identify and briefly analyze and compare most of the important non-formality questions. Not all are of equal importance nor is the likely or potential conflict as clear in all cases. Many points are subject to interpretation or require further study. By mentioning them, the Copyright Office, very preliminarily, is trying to assist full public discussion, as the Congress considers United States adherence to Berne. The Copyright Office has generally not drawn any firm conclusions about conflicts, except in the clearest cases. Our purpose is to inform and to suggest issues for further study.

A. Self-Executing Provisions

One question which implicitly underlies much of the historic and present discussion of the issues involving possible United States adherence to Berne is whether (and if so, to what extent) Berne's provisions are self-executing, i.e., whether they become the law of the land upon ratification of the treaty, in the absence of separate implementing legislation. Article 36(1) provides that a member "undertakes to adopt, in accordance with its constitution, the measures necessary to ensure the application of this Convention." The explanation in the WIPO Guide is not conclusive: "What those measures are depends on the constitution of the country in question: in some it becomes part of the law of the land; in others parliament must pass laws to give effect to the Convention's obligations." [23]

The standard reference work addressing the question also provides no dispositive answer. It states that

> a treaty made on behalf of the United States in conformity with the constitutional limitations [of Article II, Section 2], that manifests an intention that it shall become effective as domestic law of the United States at the time it becomes binding on the United States ... is self-executing in that it is effective as domestic law of the United States, and ... supersedes inconsistent provisions of earlier acts of Congress ... [24]

While Article 36(1) of Berne contains the undertaking set out above, Article 36(2) states that

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[23] WIPO GUIDE at 141, ¶36.2.

[24] Restatement [2d] Foreign Relations Law §141(1).

> It is understood that, at the time a country becomes bound by this Convention, it will be in a position under its domestic law to give effect to the provisions of this Convention.

Determining what provisions of Berne are intended to be self-executing, where the constitutional law of a Union state admits of self-executing treaties, is a question which calls for very close study by the Congress. What is at stake in our system is the amendment of our copyright law by a treaty. This should not be allowed to occur by inadvertence.

The question which must be answered is whether a provision of the Berne text "manifests an intention that it shall become effective as domestic law," and thus be self-executing, or whether it does not manifest that intent and would have no effect without implementing legislation. The answer to such a question "is finally determined as a matter of interpretation by courts in the United States if the issue arises in litigation." [25]

The Copyright Office at this time has no recommended answers to the self-executing questions. We do, however, urge that this issue be carefully considered and that the record generated by possible adherence proceedings speak clearly to the question of the self-executing nature of Berne vis-a-vis United States law.

B. Retroactive Application of Berne

The questions loosely referred to as "retroactivity" are a set of related issues concerning the eligibility for protection of preexisting works under the Berne Convention, once the Convention enters into force for a new adherent. The existence of formalities under United States law poses unique retroactivity problems, basically because the Berne Convention tends strongly to define "the public domain" with sole reference to the expiration of statutory terms of protection, whereas works have long entered the United States public domain also for failure to satisfy formalities.

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[25] Ibid., ¶154(1).

The application of the Berne Convention to pre-existing works is directed to works in their "countries of origin" [generally, the place of first publication; Article 5(4)] and "countries where protection is claimed" for such works. It is necessary to consider therefore: 1) retroactive protection of United States works in other Berne states, where they may be in their public domain; 2) retroactive protection of foreign works in the United States, where they may now be in our or their public domain; and, 3) retroactive protection of United States works now in the United States public domain.

Article 18(1) of Berne provides:

> "This Convention shall apply to works which, at the moment of its coming into force, have not yet fallen into the public domain in their country of origin *through the expiry of the term of protection*. [Emphasis added].

As Professor Ladas notes:

> Thus, the Convention was not applicable to works which, at its coming into effect, had fallen into the public domain in the country of origin by the lapse of the term of copyright, but it was applicable to works the copyright in which had been lost in the country of origin by reason of non-compliance with the prescribed formalities (deposit, registration, or notice of reservation of rights). 26/

The United States would not be obligated to protect a work originating in a Berne Convention country whose term of copyright under the national law of the country of origin has expired. Conversely the United States could not expect protection in other Berne countries for United States' origin works, whose term of protection under the 1909 or 1976 Copyright Act has expired.

26/ S. LADAS, THE INTERNATIONAL PROTECTION OF LITERARY AND ARTISTIC PROPERTY 201 (1938).

Article 18(2) of Berne sets out a "further condition" to the rule of retroactivity:

> (2) If, however, through the expiry of a term of protection which was previously granted, a work has fallen into the public domain of the country where protection is claimed, that work shall not be protected anew.

The reference to "term of protection" in Article 18(1) and (2) does not, by itself, appear to encompass formalities, i.e., it refers only to the period of years. This means the expiration of a term of protection must derive from time provided for by the Convention has no such effect under Article 18(1) and (2), as does the expiration of the Convention's minimum terms.

Finally, Article 18(3) of Berne provides, with respect to the principles established by 18(1) and (2):

> The application of this principle shall be subject to any provisions contained in special conventions to that effect existing or to be concluded between countries of the Union. In the absence of such provisions, the respective countries shall determine, each insofar as it is concerned, the conditions of application of this principle.

Copyright policy in the United States has generally tried to avoid removal of works from the public domain. United States adherence to Berne required us to confront difficult issues regarding retroactive application. The Copyright Office believes the Congress must address the retroactivity issue, since in the absence of legislation, the Convention's rule of Article 18(1) would seem applicable and might be given effect by our courts.

F. Jukebox Compulsory License

From 1909 until 1978 the performance of music on "coin-operated machines" was not an infringement of the United States copyright in the music unless a fee was charged for admission to the place where the performance occurred. As part of the 1976 general revision of the copyright law, Congress established a new compulsory license for the performance of nondramatic music on "coin-operated phonorecord players" (generally known as "jukeboxes"). 17

U.S.C. §116. The copyright owner cannot refuse to license the performance of nondramatic music on a jukebox, if the compulsory license requirements are satisfied.

Article 11(1) of the Berne Convention provides that:

> (1) Authors of dramatic, dramatico-musical and musical works shall enjoy the exclusive right of authorizing:
>
> (i) the public performance of their works, including such public performance by any means or process;
>
> (ii) any communication to the public of the performance of their works.

In contrast to Article 13 [27/] and Article 11 bis, [28/] for example, this text does not seem to permit any compulsory license for non-broadcast public performances of music. Before 1967 a different text of Article 13 would have sanctioned our jukebox compulsory license. At the Stockholm revision of Berne, Article 13 was modified to eliminate the possibility of a compulsory license for non-broadcast performances of recorded music; the scope of the compulsory license was confined to the act of recording. This modification was retained in the 1971 Paris version. [29/]

The jukebox compulsory license -- 17 U.S.C. §116 -- appears to be inconsistent with the minimum obligations of Article 11(1) of the Berne Convention.

[27/] Article 13 allows each country to impose "reservations and conditions" on the exclusive right to record music after the first authorization to record is granted, subject to a right of equitable remuneration.

[28/] Article 11 bis (2) says: "[i]t shall be a matter for legislation in the countries of the Union to determine the conditions under which the rights mentioned ... may be exercised ...," subject to a right of equitable remuneration and the moral rights of the author.

[29/] WIPO GUIDE at 78-79, ¶13.2 and ¶13.6.

D. Moral Rights

Another of the provisions in the Berne Convention which has often been identified as a major barrier to United States adherence is Article 6*bis*, which governs "moral rights." These are legal rights which are widely known in European states' copyright laws, but are not provided for in uniform federal laws in the United States. Among the issues which must be addressed when reviewing what changes must be considered for the United States copyright law to be "Berne compatible," are:

1. What are those moral rights which the Berne Convention requires?
2. How long do they last?
3. Must they be inalienable?
4. Can a system of state statutes and judicial decisions fairly be construed to comport with the Berne requirement that moral rights be provided by national legislation?

1. What are moral rights?

Those rights known as moral rights are legal rights -- copyright rights -- and should not be confused with notions of public or private morality. Rather, the term "moral rights" is used to distinguish them from the "economic rights" which have classically comprised United States and world copyright, such as rights to copy, translate, and publicly perform works of authorship. Article 6*bis*(1) provides:

> "Independently of the author's economic rights, and even after the transfer of the said rights, the author shall have the right to claim authorship of the work and to object to any distortion, mutilation or other modification of, or other derogatory action in relation to the said work, which would be prejudicial to his honor or reputation."

Moral rights are intended to protect authors in a variety of ways under various circumstances. The common thread is that they are deemed not to be pecuniary rights. As a general rule, limitations on economic rights are nonetheless subject to the relevant moral rights.

a. Paternity. The most widely and completely acknowledged of the moral rights is the "paternity right," i.e., the right of an author to insist that his or her name appear on all copies of the work and be credited as author. This right also is manifested in Article 10(3) of the Convention, which provides essentially that "fair use" teaching copies must mention the source of the work and bear the name of the author (if it appears on the work).

b. Distortion. Another important moral right is the right against distortion of a work. This generally means that an author, even if he or she has conveyed or licensed "all rights" to the work, retains the power to prevent the distortion of the work by the transferee or licensee. According to the WIPO Guide, this means that

> a person permitted to make use of a work (for example by reproducing or publicly performing it) may not change it either by deletion or by making additions. A producer may not, on his own authority, delete several scenes from a play nor a publisher strike out chapters from a narrative. The problem becomes more delicate when it is a case of adaptation; for example when writing a play or making a film from a novel, one cannot insist that the adaptor sticks [sic] strictly to the text. Means of expression differ and the change to stage or screen calls for modifications. But the adaptor's freedom is not absolute 30/

30/ WIPO GUIDE, at 42, ¶6*bis*.5.

2. Duration

Article 6bis(2) provides that moral rights shall have the same duration as the economic rights of copyright, except to the extent that at the time of adherence a nation's laws do not provide for the survivability of all of these rights, then some may die with the author. Read with Article 6bis(1) this appears to mean that a state must protect moral rights if it is to adhere to Berne and that at least some of them must survive the death of the author.

3. Alienability

The plain language of Article 6bis(1) indicates that moral rights remain with the author "even after the transfer of said rights." While this makes it appear that moral rights are neither alienable nor waivable, the WIPO commentary suggests that this strict construction may not be necessary:

> This protects the author against himself and stops entrepreneurs from turning the moral right into an immoral one. Indeed some laws expressly lay down that the moral right cannot be assigned and that the author may not waive it. However, on this point, too, the courts have some freedom of action." [31]

4. Present United States law

At least some of these rights are presently available to United States authors under a variety of non-copyright state statutes, judicial decisions, and possibly under federal trademark law. [32] Contracts between authors and publishers may provide them, and such diverse causes of action as those sounding in libel, invasion of privacy, misappropriation, or Lanham Act violations may vindicate them. It should be stressed that careful Congressional examination of moral rights is essential. The absence of a national system of moral rights in a federal copyright system raises unique problems of implementation. Assessment of the extent to which moral rights exist at common law or under varying state statutes must consider the problem of federal preemption, as expressed in 17 U.S.C. ¶301. Beyond these fundamental questions, the reasonable needs of copyright users -- both commercial and non-commercial -- requires careful study of the self-executing nature of Article 6bis and the alienability of moral rights.

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[31] WIPO GUIDE at 42, ¶6bis. 6.

[32] See, generally, the cases collected in 2 NIMMER ON COPYRIGHT §8.21[C]-[F].

E. Public Performance Right (General)

The United States approach concerning the right of public performance differs conceptually in many respects from the approach of the Berne Convention. Our concept of public performance is broad and expansive, encompassing both traditional methods and advanced technological means of performing intellectual works. In situations where exceptions to a broad exclusive right are deemed necessary, the United States law provides specific exceptions.

Under the Berne Convention the concept of "public performance" itself is rather narrow. Technically, only a live public performance of a drama or musical work before a large audience gathered in one public place seems to be considered a "public performance" under the Berne Convention. [33] All other forms of "performances" fall under different nomenclature under the Convention.

The public performance of a recorded drama or musical work is a "communication to the public of the performance of their works." [34] The public performance of a literary work is considered to be a public recitation right. [35] Broadcasting is another separately enumerated right, [36] and appears to be limited to transmissions intended to be received directly by the general public. [37] Whether transmissions sent through satellites, except as direct broadcasts, are within the "broadcasting" right of the Convention has not been settled. Communication to the public by wire (essentially cable origination and retransmission) is another separately articulated right. [38] The public communication of a broadcast is another separately designated right. [39] Copyright proprietors of literary works have a separately designated exclusive public performance and public communication by wire right in all cinematographic adaptations of their works. [40]

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[33] Article 11(1)(i).

[34] Article 11(1)(ii).

Only one express exception to the right of public performance (other than broadcasting-related exceptions) appears in the Convention: Article 10(2) allows domestic legislation to establish certain educational exemptions "compatible with fair practice." Many Berne countries, however, regard this public performance right to be subject to an implied exception regarding religious, cultural, and patriotic events. [41] The lack of a definition of public performance would appear to give Berne members a certain leeway in excluding certain incidental or limited performances from the exclusive public performance right.

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[35] Article 11 ter.

[36] Article 11 bis (1)(i).

[37] WIPO GUIDE at 67, ¶11bis. 6.

[38] Article 11 bis (1)(ii).

[39] Article 11 bis (1)(iii).

[40] Article 14(1)(ii). This variant terminology appears largely historical. When new technological developments occurred, the Berne Convention was modified to articulate the new right separately. Thus, the public performance right relating to live performances was introduced into the Convention in 1908. WIPO GUIDE, at 64, ¶11.2. The broadcasting right first appeared in 1928. Id. at 66, ¶11bis. 1. The right of authors of literary and artistic works to authorize cable retransmission of cinematographic adaptations was added in 1967. Id. at 83, ¶14.7.

[41] Origins of this implied exception are usually traced back to Documents of Brussels Revision Conference, June 5-26, 1948, pp. 100 and 263-4 (1948). In the General Report on this Revision Conference, the legitimacy of such an exception was expressly recognized.

Comparison of the United States law to the Berne Convention is difficult because of the different terminology related to public performances. In some areas the United States law apparently affords a higher level of protection than mandated under the Berne Convention. [42] On the other hand, certain of the specific exemptions provided in the United States law are called into question by some language of the Berne Convention. [43]

The permissible exceptions created by Article 10(2) of Berne for educational purposes would appear to allow several of the limitations of the performance right established by section 110. But, §110 covers a rather wide range of public performances, some "live" and others of a "broadcasting" nature. A number of the exceptions in §110, particularly §110(4) and (5) are clearly unusual insofar as the practices of Berne states are concerned. The delicacy of compromises within the Berne Union on "minor reservations" to non-broadcast public performance rights makes it desirable for the United States to examine its law carefully in this area. And, of course, §110 as a whole represents a difficult and important reconciliation between our rightsholders and user groups. Our own compromises should not, we suggest, be disturbed except upon the most pressing need and clear conflict with Berne.

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[42] Under the United States approach, new communications to the public through technological development fall generally within the public performance right because of the section 101 definition of "to perform or display a work 'publicly.'"

With respect to the meaning of the term "public," the Senate Report of the Copyright Revision Bill states "performance in 'semipublic' places such as clubs, lodges, factories, summer camps, and schools are 'public performances' subject to copyright control." [Sen. Rep. No. 473, 94th Cong., 1st Sess. 60 (1975)]. The Berne Convention tends to view as "public" only those live performances before a large social gathering.

[43] The primary questions appear limited to sections 110(4), 110(5), and 116 of our law. The first two are discussed in this part. Section 116 was discussed, supra, part IV (C).

Congress, should it determine that incompatibilities exist between Berne and parts of §110, may wish to examine structural rather than substantive changes in affected provisions.

F. Cable Retransmission

Under the Paris text of the Berne Convention, Article 11 bis covers broadcasting, cable originations, and cable retransmissions. That provision, in its entirety provides:

> Article 11 bis
>
> (1) Authors of literary and artistic works shall enjoy the exclusive right of authorization:
>
> (i) the broadcasting of their works or the communication thereof to the public by any other means of wireless diffusion of signs, sounds or images;
>
> (ii) any communication to the public by wire or by rebroadcasting of the broadcast of the work, when this communication is made by an organization other than the original one;
>
> (iii) the public communication by loud-speaker or any other analogous instrument transmitting, by signs, sounds or images, the broadcast of the work.
>
> (2) It shall be a matter for legislation in the countries of the Union to determine the conditions under which the rights mentioned in the preceding paragraph may be exercised, but these conditions shall apply only in the countries where they have been prescribed. They shall not in any circumstances be prejudicial to the moral rights of the author, nor to his right to obtain equitable remuneration which, in the absence of agreement, shall be fixed by competent authority.
>
> (3) In the absence of any contrary stipulation, permission granted in accordance with paragraph (1) of this Article shall not imply permission to record, by means of instruments recording sounds or images, the work broadcast. It shall, however, be a matter for legislation in the countries of the Union to determine the regulations for ephemeral recordings made by a broadcasting organization by means of its own facilities and used for its own broadcasts. The preservation of these recordings in official archives may, on the ground of their exceptional documentary character, be authorized by such legislation.

When considering U.S. adherence to the Berne Convention, it is important to determine whether the compulsory licensing provisions of section 111 of the U.S. Copyright Act of 1976 [44] meet the requirements of the Convention.

The obligations imposed on Berne members by Article 11 bis have been the subject of controversy for a number of years. At present, no consensus has arisen. In general,the debates over Article 11 bis reveal two differing views. Under one view, Article 11 bis gives authors and copyright proprietors an exclusive right to authorize retransmission which may be restricted only after actual private negotiations have failed to produce satisfactory results (sometimes referred to as "agreed licensing"). Under a second view, adhering nations have wide discretion in determining "the conditions" under which the cable retransmission right is exercised, provided some form of equitable renumeration is established. [45] Further, there is a difference of views on the basic question of when any liability for cable retransmission of broadcast programming arises -- for local or distant signals, or both, and whether such distinctions may apply to foreign broadcasts.

Recently, a document addressing the obligations under Article 11 bis was prepared by the International Labor Office (ILO), the Secretariat of UNESCO, and the International Bureau of the World Intellectual Property

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[44] In the case by copyrighted works transmitted as part of cable originated programming, the Copyright Act accords an exclusive right of public performance and the compulsory license does not apply.

[45] A nation taking this latter view is Austria. Under section 17(3) of the Austrian copyright law, no protection is granted against simultaneous cable retransmissions of the programming of the Austrian national broadcasting organization. The Austrian statute provides that licenses for the broadcasts of this state broadcasting organization include cable retransmission within Austria. In addition, under section 59(a) a compulsory licensing system is established for the retransmission of certain foreign broadcasts; authors may exercise their right for equitable renumeration only through licensing bodies.

Organization (WIPO). [46] [ANNOTATED PRINCIPLES OF PROTECTION OF AUTHORS, PERFORMERS, PRODUCERS OF PHONORECORDS AND BROADCASTING ORGANIZATIONS IN CONNECTION WITH DISTRIBUTION OF PROGRAMS BY CABLE]. Following a protracted and sometimes heated debate, the Berne, UCC, and Rome (1961) Subcommittees agreed that:

> 149. The solution of the issues in question should be found at the national level in each country according to the social and political conditions prevailing there and subject to the country's international obligations. The subcommittees are of the opinion that the draft annotated principles, together with the observations contained in the said report, could form an important element in the consideration of such issues at the national level. [47]

While the draft principles are only an extended commentary on the equities and law surrounding the retransmission and origination activities of cable television systems, they are nonetheless an extraordinary window looking out upon the tumultuous development of cable, principally in Western Europe. The principles document and, more importantly, the development of national laws on cable television should be carefully examined by the Congress as a key issue affecting United States adherence to the Berne Convention.

Our preliminary view is that it is possible to conclude that the 1976 Copyright Act's treatment of cable television meets the standards of the Berne Convention. The legislative history behind section 111 reveals a Congressional concern that a requirement of prior consent for the retransmission of broadcast signals was not practical; we agree that cable retransmissions are a public performance; we seek to provide an equitable remuneration under due process of law; we generally impose full copyrightability for cable originations including altered or non-simultaneous retransmissions; and the "moral" interests of the author are protected by section 111(c)(3), which prohibits the alteration of the broadcast programming.

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[46] 20 Copyright 131 (1984).

[47] Report, Subcommittees of the Berne Executive Committee, Intergovernmental Copyright Committee of the UCC and Intergovernmental Committee of the Rome Convention, para. 9 (Geneva, Switzerland, 5-7 December 1983), printed in 18 UNESCO COPYRIGHT BULLETIN 78, 102 (1984).

G. Architectural Works

"Works of ... architecture" and "three-dimensional works relative to ... architecture" are specifically listed in Article 2(1) of the Berne Convention in the enumeration of copyrightable subject matter. These works are listed separately, moreover, from "works of applied art" and "illustrations ... relative to ... architecture." Although the plain text of Berne appears to require copyright protection for original three-dimensional manifestations of an architect's work (which is clearly not the current United States law), the practice of Berne states should be surveyed to identify more precisely the nature of the Berne obligation.

Under present United States law, copyright for two-dimensional technical drawings (like architect's blueprints) does not protect the utilitarian object portrayed. 17 U.S.C. ¶113. The original artistic features of utilitarian articles can be protected by copyright, but only to the extent that the "design incorporates pictorial, graphic, or sculpture features that can be identified separately from and are capable of existing independently of, the utilitarian aspects of the article." 17 U.S.C. ¶101 (definition of "pictorial, graphic, and sculptural works"). The overall shape of a utilitarian article is not protected by United States copyright, no matter how artistic or attractive the shape may be.

H. Works of Applied Art

The Berne Convention states that it shall be a matter for legislation in member countries to determine the term of protection of works of applied art in so far as they are protected as artistic works but that such term shall endure at least 25 years from the making of such a work. It seems clear that on this point the United States copyright law is in compliance with the Convention.

As discussed in part IV(G), pictorial, graphic, and sculptural works are copyrightable, and they include works of applied art to the extent that such works contain features which are original works of authorship and can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the work. Works of applied art are protected for the normal terms of copyright.

Apart from duration of protection, it may, however, be useful for the Congress to consider the practices of Berne states with respect to the extent of protection for "works of applied art" under copyright or other statutory schemes. Congress has expressed an interest in the consequences of extending copyright to forms of industrial creativity, and the relevance of Berne to this concern may merit further study.

I. Works Made For Hire

An area in which United States copyright law differs from those of most Berne members is that it treats works prepared by employees within the scope of their employment and certain other specially ordered or commissioned works as "works made for hire." The employer/commissioner is treated as the author and initial copyright owner 48/ and the copyright lasts for either 75 years from publication, or 100 years from creation, whichever term expires first. 49/

48/ 17 U.S.C. §201(b).

49/ 17 U.S.C. §302(c).

Neither of these principles is expressly addressed by the text of the Berne Convention, but neither appears to conflict with it. Article 1 states that the purpose of Berne is the "protection of the rights of authors in their literary and artistic works." But "author" is not defined, and the Guide to the Berne Convention states that this is because "on this point too, national laws diverge widely, some recognizing only natural persons as authors, while others treat certain legal entities as copyright owners, some imposing conditions for the recognition of authorship which others do not accept." [50]

Thus the fact that copyright vests initially in corporate or other entities in the United States under the "made for hire" doctrine probably poses no problem with regard to potential United States adherence. As to term, since Article 7(3) requires that anonymous or pseudonymous works be protected for fifty years "after the work has lawfully been made available to the public," and the term under United States law applies to these works as well as to works made for hire, it seems reasonable that the term is sufficient. Indeed, it is intended in practice to approximate 50 years after the author's death. [51]

J. Mechanical Reproductions of Music

Article 9 of the Convention states the general principle that authors of literary and artistic works, including music whether or not accompanied by words, have the exclusive right of authorizing the reproduction of those works in any form. Article 13 of paragraph (1) contains a limitation of the author's exclusive rights in regard to the recording of musical works. Each member country of the Union may impose its own reservations and limitations on the author's exclusive right to make recordings of music once the author has already authorized the making of a recording of his music, provided that the author receives equitable remuneration. Member countries thus may provide for compulsory licenses to record musical works in their domestic legislation.

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[50] WIPO GUIDE at 11, ¶1.16.

[51] Sen. Rep. No. 473, 94th Cong. 1st Sess. 121 (1975).

Section 115 of the United States Copyright Act makes nondramatic musical works subject to compulsory license, permitting the making and distribution of phonorecords of such music by others after phonorecords of the nondramatic music have been distributed to the public in the United States under the authority of the copyright owner. Section 115 provides that a person may obtain a compulsory license only if his or her primary purpose in making phonorecords under the license is to distribute them to the public for private use. This section also provides the procedures to be followed in paying royalty fees to the copyright owner and specifies the amount of the fee. The compulsory license provisions of section 115 of the United States Act seem to be in harmony with Article 9 of the Berne Convention.

K. Public Broadcasting Compulsory License

As noted earlier, Article 11 *bis* of the Convention grants, to the author, the exclusive right to broadcast his or her work to the public. Paragraph (2) of this article, however, provides that it is a matter for legislation in the countries of the Union to determine the conditions under which the exclusive right may be exercised.

Section 118 of the United States Copyright Act constitutes a compulsory license for noncommercial (public) broadcasting. The compulsory license is limited to two categories: published nondramatic musical works and published pictorial, graphic, and sculptural works. The Copyright Royalty Tribunal is charged with the duty of establishing the terms of the compulsory licenses and the schedule of the rates to be paid, if voluntary negotiations fail. In addition to the performance or display of eligible works, public broadcast entities may also engage in the production, reproduction, and distribution of transmission programs containing eligible works, for the purpose of public broadcast transmissions.

The provisions of section 118 seem generally to be in harmony with Article 11 bis, paragraph (2) of the Berne Convention, even if the "agreed licensing" interpretation is the correct one, although the reference to "moral rights" may require further study.

L. Fair Use

Berne member states' handling of the often thorny issue, known in the United States as "fair use," is anything but uniform. Here it must be understood that the general language of Berne acquires meaning only in the context of national legislation.

Among the Berne "fair use" provisions with which United States law appears largely compatible, and which receive no detailed treatment here, are articles 2bis(1) [political and courtroom speeches], 10(1) [quotations], 10(2) [fair use for teaching purposes], and 10bis(1) and (2) [current events, economic, political and religious reportage and broadcasting]. 52/

These provisions cover much of the "traditional" scope of fair use, but not the type of "whole-work" duplication which has led to the disputes in Congress and the courts over the photocopying of whole works 53/ and the magnetic tape duplication of cinematographic works 54/ and sound recordings. 55/

52/ This compatability is due either to Berne's permitting the outright exclusion of the subject matter from copyright or permitting states to exempt certain reproductions and performances from copyright liability.

53/ Williams & Wilkins Co., Inc. v. United States, 487 F.2d 1345 (Ct.Cl. 1973), affirmed by an equally divided court, 420 U.S. 376 (1975). For a discussion of the intricacies of U.S. law concerning photocopying, see H.R. Rep. No. 1476, 94th Cong. 2d Sess. at 66-79 (1976), H.R. Rep. No. 1733, 94th Cong. 2d Sess. at 70-74 (1976), and the Report of the Copyright Office on Library Photocopying at 24-58 (1983).

54/ Universal City Studios, Inc. v. Sony Corp. of America, 104 S.Ct. 774 (1984); Encyclopaedia Britannica Educ. Corp. v. Crooks, 558 F.Supp 1247 and

Among the members of the European Economic Community (all of whom are Berne members), the copyright laws and practices of Denmark, the Federal Republic of Germany, France, Italy, Luxembourg, and the Netherlands all permit private copying of works for personal use. 56/ (In the Federal Republic of Germany the law however provides for a levy on tape recorders to generate funds to compensate copyright owners for their income foregone by the existence of private copying; in France a tax is imposed on photocopy machines, the revenue from which goes in part to copyright owners, and then only to French copyright owners). As to copying in the educational, institutional, or office contexts, it has been noted that "whether or not this activity is illegal will depend on the law of each country and the exceptions permitted to the reproduction right under national laws." 57/

The most significant "Berne-fair use" question for the United States may be how our law would comport with Article 9(2), which provides:

> It shall be a matter for legislation in the countries of the Union to permit the reproduction of [literary and artistic] works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author. [Emphasis added.]

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447 F.Supp. 243 (W.D.N.Y. 1978 and 1983).

55/ See, generally, the legislative history of the Record Rental Amendment of 1984, which amended 17 U.S.C. §§109 and 115. H.R. Rep. No. 987, 98th Cong., 2d Sess. (1984); Sen. Rep. No. 162, 98th Cong., 1st Sess. (1983).

56/ G. Davies, Private Copying of Sound and Audiovisual Recordings (1984) at 2.

57/ Ibid., at 15. Stephen Stewart, in commenting on the text and meaning of Article 9(2), notes:

> Even under the Berne Convention each country has to decide what the legitimate interests of the author are, whether the prejudice [from unauthorized copying] to these interests, which is inevitable, is reasonable or unreasonable, and what amounts to a normal exploitation ....

S. Stewart, International Copyright and Neighboring Rights, §4.29 (1984).

This provision dates only from 1967. But, not coincidentally, so does the Berne provision stating that there is a right of reproduction. The intent of the Article, it is said "was to find a formula wide enough to cover all reasonable exceptions but not so wide as to make the right illusory." 58/ To be sure, the Article 9(2) "test" is cumulative: copying, to be permitted, must not conflict with a normal exploitation of a work and must not unreasonably prejudice an author's legitimate interests. But since it is up to members to determine the meaning of those terms, the calculus involved would probably resemble the case-by-case determination performed by our courts under either case law or section 107.

The WIPO Guide suggests these results: single photocopying of journal articles is generally permitted, 59/ compulsory licensing with equitable remuneration is appropriate for large-scale photocopying which results in a serious loss of profit to a copyright owner, 60/ personal and scientific uses may be favored by national laws, 61/ and "it rests with each country to make appropriate measures best adapted to its educational, cultural, social, and economic development." 62/

Library photocopying, the subject of a separate exemption under United States law, presents a special case, and is the subject of rather detailed provisions under United States law. 63/ While the text of Berne does not mention library copying per se, it may be instructive to observe that the

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58/ WIPO GUIDE at 54, ¶9.1.

59/ Id., at 55-56, ¶9.8.

60/ Ibid.

61/ Id., at 56, ¶9.9.

62/ Id., at 57, ¶9.12.

63/ 17 U.S.C. §108.

present practices of the national libraries of two present Berne adherents, the United Kingdom and Canada, are more generous regarding interlibrary loan copying than United States law permits.[64]

M. Home Recording

The VCR phenomenon is so recent that the international debate regarding authors' rights in the case of home recording of copyrighted works is at the incipient stage.[65] Since the act of recording involves the reproduction right, it is primarily Article 9 of Berne that needs to be examined, and especially the range of permissible exceptions in paragraph (2) of that article. The key questions seem to be whether home recording "conflict[s] with a normal exploitation of the work" or "unreasonably prejudice[s] the legitimate interests of the author."

The first in a new series of international meetings to explore the problem of home recording took place last June.[66] A private group of experts -- government delegations attended merely as observers -- concluded that both international copyright conventions (Berne and the Universal Copyright Convention) should be interpreted as requiring equitable remuneration for home recording. [67] These initial conclusions of private experts will be examined and evaluated by governmental experts at later meetings, and submitted to members of Berne and the U.C.C. governing committees.

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[64] In the United Kingdom, the British Library Lending Division will fill requests from individual libraries for up to nine copies per year from any one journal, while the National Library of Canada will fill up to six requests. In the United States, the limit is generally five copies per journal per year. See the "CONTU Guidelines" in H.R. Rep. No. 1733, 94th Cong., 2d Sess. 72-74 (1976).

[65] *See* Masouye, "Private Copying: A New Exploitation Mode for Works, " *Copyright*, 81 (Feb. 1982); Fiscor, "The Home Taping of Protected Works: An Acid Test for Copyright," *Copyright*, 59 (Feb. 1981)

[66] Report, "Group of Experts on Unauthorized Private Copying of Recordings, Broadcasts and Printed Matter," *Copyright*, 280 (July-Aug. 1984). *See*, Davies, The Private Copying of Sound and Audiovisual Recordings, Chapter 5 (1983) for a summary of recommendations by intergovernmental and nongovernmental groups. *See also* IFPI Study, Private Copying of Sound and Audio-Visual Recordings (1983) (Survey of non-EEC Member States of the Council of Europe).

Some European countries (Austria, Federal Republic of Germany, Hungary, and Finland) have already enacted compensatory legislation by levying royalties on blank audio and video cassettes or on the recording equipment itself. Similar proposals are under consideration in other European countries.[68] A United Kingdom "green paper" (ministerial proposals for legislation) recently recommended a levy on home recording tapes, reversing an earlier "green paper" rejecting compensation for home recording.

N. Commercial Rentals

The other copyright legacy of the VCR phenomenon -- commercial rental of sound recordings and audiovisual materials -- is so new that time has permitted even less international consideration than in the case of home recording.

The first international meeting to study rentals was held in November 1984. [69] Preliminary indications are that the absence of a specific reference to a distribution right in the Berne Convention has led to variable practices regarding distribution of copyrighted works. Some countries view the distribution right as implicitly protected by the reproduction right. Limitations similar to the "first sale" doctrine of 17 U.S.C. § 109 (the first authorized sale of a particular copy exhausts the right of public distribution) are common.

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[67] *Id.*, Report at 281.

[68] Davies, The Private Copying of Sound and Audiovisual Recordings, Chapters 4 and 5 (1983).

[69] Report, "Group of Experts on the Rental of Phonograms and Videograms, *Copyright*, 16 (Jan. 1985).

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Thank you for the opportunity to be heard on this most important subject. My colleagues and I will be pleased to respond to your questions now, or at a later time for the record.

APPENDIX A [70]

Nation	Basis for Copyright Relations Today
Benin	Unclear [71]
Burkina Faso	Unclear
Central African Republic	Unclear
Chad	Unclear
Congo	Unclear
Cyprus	Unclear
Egypt	None [Adheres to Geneva Phonograms Convention]
Gabon	Unclear
Ivory Coast	Unclear
Libya	Unclear
Madagascar	Unclear
Mali	Unclear
Mauritania	Unclear
Niger	Unclear
Romania	Bilateral treaty (1928)
Rwanda	Unclear
South Africa	Bilateral treaty (1924)
Surinam	Unclear
Thailand	Bilateral treaty (1921)
Togo	Unclear
Turkey	None
Uruguay	Buenos Aires Convention; Geneva Phonograms Convention
Zaire	None [Adheres to Geneva Phonograms Convention]
Zimbabwe	Unclear

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[70] This list is drawn from a comparison of Berne and UCC membership as of January 1, 1985, as printed in Copyright (January 1985) at 6-8 and 12.

[71] "Unclear" relations are those in which a state has attained independence since 1943, and may or may not be honoring obligations incurred under its former political status. For registration purposes the Copyright Office treats "none" and "unclear" countries the same: registration is ordinarily refused.

RESPONSE TO SENATOR MATHIAS' LETTER OF MAY 30, 1985

1. **QUESTION:** Please cite the pertinent provisions of Berne that might prohibit the compulsory license for coin-operated phonorecord players and discuss any variations that might apply in other countries adhering to Berne.

ANSWER: Article 11 of the Paris Act of Berne provides that authors of musical works enjoy the exclusive right of authorizing "the public performance of their works, including such public performance by any means or process ...." The public performance of musical works by coin operated phonorecord players is such a "means or process" and therefore falls within the exclusive right.

By its own terms, Article 11 does not expressly sanction *any* limitation on the public performance right in "dramatic, dramatico-musical and musical works." In fact, the states party to the Berne Convention usually provide for some limited exemptions to the otherwise absolute public performance right in these three types of works. These limited exemptions are accepted within the Berne Union under an understanding reached at the Brussels and Stockholm Revision Conferences (1948 & 1967) whereby states would not be regarded as violating article 11 by introducing "minor reservations" to the right in their law. These "minor reservations" are, in most cases, similar to the exemptions in Section 110 of the 1976 Copyright Act and in no case involve a comprehensive compulsory licensing system for a clear and significant commercial activity. Both the history of the "minor reservations" understandings and a comparison with other provisions of Berne relating to the public performance right in a broadcasting context lead commentators to conclude that compulsory licensing of public performances of musical works, outside of a broadcasting use, is not permitted by Berne.

2. **QUESTION:** Are there any provisions of the copyright law that now impede our joining Berne that you would want to see changed even if we weren't about to join the Berne Convention?

ANSWER: The manufacturing clause should be permitted to expire as scheduled. Apart from that, no changes are proposed by the Copyright Office.

3. **QUESTION:** What compulsory licenses granted by Congress under our copyright laws would be affected by United States adherence to the Berne Convention? How would they be affected?

ANSWER: As stated in our testimony, the cable television, "mechanical," and public broadcasting licenses appear largely "Berne-compatible." The jukebox license is the only major incompatible compulsory license. If the Berne Convention is self-executing under U.S. law, adherence might pre-empt this license. If not, the license would have to be removed from the statute prior to adherence.

4. **QUESTION:** What rights, if any, will United States copyright owners lose under the Uniform Copyright Convention (UCC) as a result of our nation's withdrawal from UNESCO?

ANSWER: None. The UCC is not a creature of UNESCO; the latter only serves as the Secretariat for the states part to the treaty and membership in UNESCO is not required for membership in the UCC. While it is therefore quite clear in our view that none of the rights our authors and copyright owners are entitled to the 76 countries party to the UCC are in the slightest affected by our withdrawal from UNESCO, it is equally clear that the utility of UNESCO as a vehicle for promoting the rights secured by the UCC has been largely abandoned by United States withdrawal from that organization. It is really a matter of political common sense: without a presence in the UNESCO Executive Board and General Conference, we cannot urge the adoption of copyright programs specifically of importance to our copyright interests; our failure to contribute to the budget makes it rather awkward to propose new initiatives to deal with current problems of international copyright. Having said this, it should be recalled that opinion on the utility of UNESCO as a vehicle for the modernization of copyright or the impartial study of copyright questions important to the free market Western countries was rather sharply divided even before our withdrawal from UNESCO.

5. **QUESTION:** Is it possible for the United States to adhere to Berne and maintain Section 116 of the Copyright Act by reservation or in some other manner?

ANSWER: Technically, it would not be possible to join the Berne Convention with such a reservation and remain in conformity with Berne obligations. Art. 30 of the Berne Convention permits states to adhere to the Paris Act (1971) with reservations in only four areas, none of which relate to the compulsory license for performances of non-dramatic musical works on juke-boxes. Theoretically, one might argue that the United States could adhere to Berne, maintain Section 116 unchanged and adopt as well express statutory provisions precluding the direct application of Article 11 of the Berne Convention to the rights authors might claim under the Convention with respect to Section 116 activities. If -- and this is a large if -- such an approach withstood a court challenge the final result would be that the United States has breached a treaty obligation and provided no legal means for redress of the violation. It seems to us unthinkable that the United States would adhere to a treaty and consciously violate its terms.

6. **QUESTION:** What mechanisms might be used to grant the coin-operated phonorecord player industry equal or better protection than Congress mandated for it in 1976 that would meet the provisions of the Berne Convention?

ANSWER: The "privatization" of the rate-making function with the CRT serving as an arbitrator or mediator between the performing rights societies and the jukebox industry should serve to provide the industry with some security -- perhaps more than at present -- while comporting squarely with the practice of present Berne members. And, it is worth noting, the recent accord between the parties concerning rebates is evidence of the fact that they can reach agreement concerning important matters.

Senator MATHIAS. Our next witness will be Mr. Donald J. Quigg, Acting Commissioner for Patents and Trademarks. Before Mr. Quigg testifies, we are going to take about a 10-minute recess to attend to other urgent committee business. I will be right back.

[A short recess was taken.]

Senator MATHIAS. The subcommittee will come to order.

Dr. Bogsch, one of the great values of our society today is shared experience. In the last 10 minutes I have just been sharing the experience of the witnesses here by rushing over to another committee and being a witness myself.

Mr. Quigg.

STATEMENT OF DONALD J. QUIGG, ACTING COMMISSIONER FOR PATENTS AND TRADEMARKS, PATENT AND TRADEMARK OFFICE, WASHINGTON, DC, ACCOMPANIED BY MICHAEL K. KIRK, ASSISTANT COMMISSIONER FOR EXTERNAL AFFAIRS, AND MICHAEL S. KEPLINGER, ATTORNEY, OFFICE OF LEGISLATION AND INTERNATIONAL AFFAIRS

Mr. QUIGG. Thank you, Mr. Chairman.

I would like to introduce my associates. On my right is Mike Kirk, Assistant Commissioner for External Affairs. On my left is Mike Keplinger, legal counsel for Legislative Affairs.

Senator MATHIAS. We are happy to have them with us this morning.

Mr. QUIGG. It is a pleasure to appear before you today to discuss the advantages to the United States of adherence to the Berne Convention for the protection of literary and artistic works. The United States has had a checkered history in international copyright. In 1884 Senator Chace, in his report on the International Copyright Act of 1891, characterized the United States as the Barbary Coast of literature, but we have come a long way since then. Today we are among the leaders in promoting effective copyright protection throughout the world, and we are the world's leading exporter of books, motion pictures, broadcast programming, and computer software, all works that are subject to illicit copying.

Presently our international copyright relations are governed by the Universal Copyright Convention. The UCC is administered by Unesco, and it links together 78 countries. We do not belong to the older Berne Convention that governs copyright relations among its 76 members. Together the two conventions cover over 100 countries, and of the major nations only the United States and Soviet Union and China do not belong to the Berne Convention.

In 1976, the comprehensive revision of the U.S. copyright law brought our law very nearly into compliance with the Berne Convention. Only a few adjustments appear to be needed to permit adherence. The scope of any needed changes is presently under study by an ad hoc group of experts convened under the auspices of the authors' league. It is too early to identify precisely those changes that may be needed, but the most likely are, of course, the formalities of notice and registration and certain features related to compulsory licensing. The question of moral rights also deserves careful examination. At present there is generally good support for

Berne adherence in the private sector, both among copyright producers and users.

The Cabinet Council on Commerce and Trade listed a number of advantages of adherence to the Berne Convention. Membership in the Berne Convention will provide the United States with a world forum in which concerns of U.S. copyright owners and users can be addressed. The World Intellectual Property Organization, WIPO, is not as politicized as Unesco, and the influence of the developing nations in WIPO is not so disproportionate as in Unesco.

As the importance of trade in products embodying intellectual properties continues to grow, so does the necessity for an international regime in which both proprietor and user are assured of effective protection for their interests. The more detailed provisions of the Berne Convention help provide that assurance. Also Berne membership will extend our copyright relations to an additional 23 countries.

U.S. Government trade and copyright officials will be able to negotiate from a sounder base when seeking to address trade problems and when representing the United States in international copyright meetings. The U.S. membership in the Berne Convention will strengthen the international copyright system and provide us with a better forum in which to address the copyright issues arising from new technologies.

Finally, the U.S. membership in the Berne Convention will force us to realize that we are truly part of the international copyright community and that we cannot go it alone in matters of copyright policy.

Some features of the legislation that may be needed to bring our law fully into conformity with the Berne Convention would create some controversy among both proprietors and users of copyrighted works. Since the scope of needed changes is not yet fully determined, sources of support and possible opposition cannot be determined at this time.

After considering all of these factors, the Cabinet Council on Commerce and Trade unanimously endorsed Berne adherence as an important international intellectual property objective. The Cabinet Council also recommended that the Department of Commerce, in conjunction with the Department of State, should work with the Copyright Office, the leadership of the appropriate congressional committees, and the private sector to encourage broad support for adherence and to secure agreement on any necessary implementing legislation.

We look forward to carrying out the program endorsed by the Cabinet Council and working with you and your committee, and your counterparts in the House, to develop a sound legislative package that can bring us into full membership in the international copyright community.

Mr. Chairman, this concludes my summary of the prepared statement, and I shall be happy to respond to any questions you might have.

Senator Mathias. As we have noted previously, your full statement will appear in the record.

You commented that you felt there was a relatively large degree of support for adherence to the Berne Convention in the business community. On what basis do you make that judgment?

Mr. QUIGG. The conversations on intellectual property that I have had throughout the country have generally supported adherence to the Berne Convention.

Senator MATHIAS. Have you noted any change in that position over the years?

Mr. QUIGG. Before 1976 I was not particularly involved in this area; and since the 1976 amendment to our copyright law, support for Berne adherence has been pretty universal as far as I can tell.

Senator MATHIAS. Let me ask you the other side of that coin. Do you think there have been disadvantages to American business from our absence from the Berne Union?

Mr. QUIGG. Specifically for business, I doubt that there have been direct disadvantages because we have been able to obtain protection through the so-called back door to Berne. We have not been able to utilize our influence to any great degree in Unesco to get our ideas across with respect to the need for strong copyright enforcement. That has been a disadvantage. I think the less politicized forum of WIPO will help correct that situation.

Senator MATHIAS. Then you think that the politicalization of Unesco and our subsequent withdrawal will create some problems if we do not compensate for it?

Mr. QUIGG. I think that the only immediate loss will be the loss of any voice in the general assembly of Unesco. We still are able to participate in the UCC's Intergovernmental Copyright Committee. I think that our withdrawal is probably an advantage in terms of effecting improvements in Unesco, and our ability to go into WIPO with the Berne Convention would be an additional strong advantage.

Senator MATHIAS. One of the things that has concerned the Judiciary Committee in recent years is the rising problem of piracy and trademark counterfeiting. It is taxing the economies of the world generally, and the U.S. economy in particular. Do you believe that the U.S. adherence to the Berne Union would help combat piracy and counterfeiting?

Mr. QUIGG. I think it would help to some extent. Where it is not going to help is in the fact that the three major pirating countries, Taiwan, Korea, and Singapore, are not adherents to the Berne Convention. So we still have some work to do. I think that the addition of 23 countries through this combination of UCC and the Berne Convention will be a plus for us. We will be able to discuss with more validity the copyright problems with these additional countries and Berne membership will put us in a stronger position.

We have been trying to use our influence in other countries, trying to encourage them to improve their copyright laws. I think if we take the positive step of adhering to the Berne Convention it will lend more validity to our encouragement.

Senator MATHIAS. One subject that has come up in the hearing this morning and in conversations on this topic is the manufacturing clause. As you know, the manufacturing clause will expire next year. It has been noted that the clause violated the Convention's prohibition against formalities. Do you have any suggestions on how to conform the objectives of the manufacturing clause with the standards that are required under the Berne Convention?

Mr. QUIGG. Well, this would be one place where I think the forum of WIPO would be very important to us. Obviously we will have to negotiate some modification, probably some compromise in that connection may be needed. I think we will have a much better opportunity to do that through the forum of WIPO than we have had up to now.

Senator MATHIAS. We thank you very much, Mr. Quigg, for being here. We particularly thank you for saluting the early presence of the State of Maryland in providing intellectual property protection before we even had a Federal Constitution.

Mr. QUIGG. It was well deserved.

Senator MATHIAS. We may have some further questions which we will address to you in writing and ask you to submit answers for the record.

Mr. QUIGG. Fine. Thank you.

[The prepared statement of Mr. Quigg and responses to written questions of Senator Mathias follow:]

PREPARED STATEMENT OF DONALD J. QUIGG

Mr. Chairman and Members of the Subcommittee:

It is with great pleasure that I appear before your Subcommittee today to discuss the advantages to the United States of adherence to the Berne Convention for the Protection of Literary and Artistic Works. The Cabinet Council on Commerce and Trade has carefully considered this issue and is unanimously convinced that adherence to the Berne Convention is extremely important to the future role of the United States in the worldwide information economy.

Background

The United States has had a checkered history in international copyright. In 1884 in the report on S.554, Senator Chace of the Senate Committee on Patents characterized the United States as "the Barbary Coast of literature and the people of the United States...the bucaneers of books." Today the role of the United States has changed. We have emerged as one of the world's foremost champions of strong, effective international copyright protection. To understand this evolution it is necessary to examine briefly the history of U.S. international copyright and, in particular, U.S. attitudes toward the Berne Convention.

On May 2, 1783, the Continental Congress passed a resolution recommending the "several States" to enact laws to secure to "the authors and publishers of any new books not hitherto printed, being citizens of the United States," the copyright in their books. Twelve of the original thirteen States enacted copyright laws following this recommendation. Connecticut was first in 1783, and New York was last to pass such a law on April 29, 1786. Delaware alone did not pass a copyright law.

The laws were as diverse as the States that passed them. Most provided protection only for U.S. citizens or domiciliaries -- Connecticut, Massachussetts, New Jersey, New Hampshire, Rhode Island, Pennsylvania, Virginia, North Carolina, Georgia, and New York. Eight imposed conditions of reciprocity upon the protection of works originating in other States. Only two laws appeared to protect works of foreigners as well as U.S. nationals, those of Maryland and South Carolina, and Maryland's law was not to come into effect until "similar laws shall be passed respecting literary property in all and every of the United States." This listing emphasizes the early hesitancy of the United States in approaching international copyright.

In 1787, the Constitution enshrined the early commitment of the new Republic to the encouragement of intellectual creativity in Article 1, section 8, clause 8, by reserving to the new Congress the authority to encourage creativity for the ultimate benefit of all citizes, by granting to authors and inventors limited exclusive rights in their respective writings and discoveries. In 1790, in its second session, the First Congress of the United States enacted the first national copyright legislation. The original copyright Act, like its predecessor state laws, was rather narrow in its application. It provided for a 14-year term, renewable for an additional 14 years, for books, maps, and charts authored by U.S. citizens or residents. It also provided that the importation of copies of works protected under the Act from abroad was an offense. The Act established that to be protected, works were to be deposited and registered with the clerk's office of the district court where the author resided, and that a copy had to be deposited with the Secretary of State. With respect to international protection, section 5 of the Act specifically provided that "nothing in this act shall be construed to extend to prohibit the importation or rendering, reprinting or publishing within the United States, of any map, chart, book or books, written printed, or published by any person not a citizen of the United States, in foreign parts or places without the jurisdiction of the United States." Thus, from its beginnings, U.S. copyright law protected domestic authors in the domestic market with no protection for foreign authors.

The U.S. copyright law was revised periodically during the nineteenth century, principally to add new categories of works, to recognize new rights, and for a number of administrative purposes. But even with the revisions, it remained a law limited in scope to U.S. citizens and residents. It was not until 1891, when Congress passed the Chace Act, that copyright protection was afforded to the works of foreign nationals in the United States.

The Berne Convention

Meanwhile, interest was mounting in international circles for an improved system of international copyright to replace the patchwork of special conventions, bilateral treaties, and proclamations that characterized copyright protection among nations. In Europe, a series of literary and artistic "congresses" began the process of consolidating an international consensus behind a movement to provide for the worldwide recognition of authors' rights. The first of these was the Congress of Authors and Artists which met in Brussels in 1854 for three days and adopted a set of resolutions that acknowledged the importance of the international protection of authors rights, recognized the fundamental principle of national treatment, rejected international formalities, and urged the adoption of uniform legislation at the national level.

In the Congresses that followed, these principles were developed further and a key event took place. The Congress of 1878, under the chairmanship of Victor Hugo, proposed to create an international association to carry forward the work of the Congresses. Thus, the International Literary and Artistic Association was created to provide a focus for international copyright. The Association did its work well, and in 1884 the Swiss Government invited delegates to attend a conference at Berne. Fourteen nations, including some who could be regarded as developing nations, attended. The conference debated at length the specifics of a new international agreement and proposed a draft convention having 21 articles.

The work continued, and in 1885 a second official conference, this time including delegates from 20 countries, including the United States, was convened. This conference took up the 1884 draft which included a number of steps toward the international "codification" of the copyright law. The 1885 conference retreated somewhat from this draft and left much of the substance of authors rights to local legislation, setting only broad guidelines in the convention. The Swiss Government communicated the text of the draft convention to fifty-five countries along with an invitation to attend a diplomatic conference the following year.

In 1886, the final conference was convened in Berne. The United States attended the conference as an observer. The Convention met with approval, and 10 countries signed the text on September 9. The fundamental principle of the Convention was national treatment, subject to the limitation that the term of protection could not exceed the term in the country of origin of the work. The Convention did contain the beginnings of an international codification by providing that the minimum term was to be 10 years from publication for the translation right; by establishing a public performance right; and by dealing with such topics as seizure of infringing imported copies, the presumption of authorship, the creation of adaptations of protected works, and provisions providing for the free use of certain newsworthy materials.

International Copyright

The new Convention was opened for revision in 1896 in Paris, and again the United States attended as an observer but failed to accede to the Convention. In this early conference, the Berne Convention was already established as a force for higher standards of protection for the creative efforts of authors, balanced against the public need for fair access to works. This principle shows up in the two main revisions made at the conference of 1896. The first extended protection to works of any author published in a member country, thus recognizing the universality of authorship. The second recognized the translation right for the full term of copyright but provided that the author would lose the right if it was not exercised within 10 years of publication.

The second revision of the Convention took place in Berlin in 1908 with the United States attending as an observer. As a result of this conference, the Convention was almost completely rewritten to include some of the fundamental principles that have endured to this day and that were major divergences between U.S. copyright and the laws of the Berne Convention countries. Perhaps most important, protection under the Convention was declared to be independent of any formalities and the term was set at the life of the author and 50 years. The Convention recognized new technologies. It afforded protection to photographs, and it recognized the rights of authors to authorize the adaptation and public performance of their musical works for mechanical instruments. The Convention also recognized the rights of authors of literary works to authorize the adaptation of their works and their public performance in motion pictures. The Berlin text also clearly established the principle that members were bound to provide protection for the works defined in the Convention as literary and artistic works.

U.S. Copyright Revision of 1909

Meanwhile, the United States was revising its copyright law. In the 1909 revision, the United States maintained, and even strengthened, its system of formalities. It also continued the "manufacturing clause" of the 1891 Chace Act but in a restricted form. The Chace Act had made it possible to extend protection to foreign works, but on the condition that all copies sold in the United States had to be manufactured here. The 1909 law made this applicable only to works in the English language, thus discriminating against British publishers. As a consequence, an additional protocol to the Convention was established in 1914 that would permit Berne countries to deny protection to works of authors from non-Berne countries if those countries did not provide adequate protection for the works of authors of Berne members.

Given the wide divergence between the 1909 U.S. copyright law and the Berne Convention Berlin text of 1908 in the area of formalities and term alone, Berne adherence was simply out of question for the United States without a major revision of its copyright law.

U.S. International Copyright

Nevertheless, sporadic attempts were made to revise our copyright law to adhere to the Berne Convention. Needless to say these attempts failed. Following the "normal" cycle there should have been a Berne revision conference in 1914-1918 but the intervention of World War I caused the conference to be de-layed until 1928.

Again, the United States attended the 1928 Rome Conference as as an observer. The main accomplishments of the Rome Conference were to recognize the moral rights of the author -- the right to claim paternity of the work and to object to uses that would bring discredit on the author -- and to establish the author's right to control the distribution of a work by broadcasting. Although the Rome text was approved, the 1908 Berlin text remained open for adherence until August 31, 1931. The legislation needed to permit Berne adherence (H.R. 12549) passed the House of Representatives and on January 13, 1931. President Hoover transmitted the the Berne Convention to the Senate on January 21, but the Congress adjourned before the Senate could act on either the legislation or Berne Convention adherence.

On February 19,1934, President Roosevelt sent the Rome text of the Berne Convention to the Senate to be considered in conjunction with Senator Cutting's bill, S. 1928, to bring the U.S. copyright law into full compliance with the Berne Convention. This attempt likewise was doomed to failure, perhaps because as some speculated, Berne adherence was linked to a general revision of the copyright laws -- a task made politically difficult by the emergence of the new technologies of broadcasting and motion pictures.

In 1935, the Senate did give its advice and consent to the Rome text, but, because of the failure of passage of concurrent revision legislation, the advice and consent was withdrawn the next day. This was as close as the United States came to Berne adherence before World War II intervened.

Following World War II, the United States emerged as the world's leading exporter of copyrighted works. American music, books, motion pictures, and stage shows were in demand worldwide. Our antiquated system of international copyright protection simply did not meet the demands placed upon it, and interest emerged anew for adherence to an international copyright treaty.

Based on earlier experience, it was decided to address separately the issues of copyright revision and adherence to a multilateral copyright treaty. It was apparent that Berne adherence was simply out of the question -- our 1909 copyright law was too much at variance with the Berne Convention; there was no likelihood that Berne standards would be lowered to permit the United States to adhere; and improved international copyright relations was seen as an immediate need.

The Universal Copyright Convention

These pressures led the United States to work with the Berne countries and the United Nations Educational, Scientific and

Cultural Organization (UNESCO) to develop a new compromise convention that would permit the United States to adhere, while maintaining its rather unique system of copyright based on formalities. The new Universal Copyright Convention (UCC) was intended to be a bridge leading to ultimate adherence to Berne. The UCC established minimum standards that could be a new common denominator among States, both members of the Berne Union and members of the new UCC. The effort was successful and on September 5, 1952, the new Convention was signed in Geneva, and, following its ratification by the required 12 states, it came into effect on September 16, 1955. The provisions of the UCC are rather simple and in many ways it resembles the original 1896 Berne Convention. It relies on national treatment, but it permits formalities. The minimum term is 25 years from the death of the author or from publication, and the requirements as to minimum rights are rather modest.

But even with a tailored convention, changes in the U.S. law were needed, and the effort required to achieve these changes was substantial. The objections that emerged were overcome and on August 31, 1954, President Eisenhower signed Public Law 83-743 that brought about the technical changes -- largely related to the formalities of deposit and registration, and the manufacturing clause -- needed to permit the ratification of the UCC on November 5, 1954. Since we adhered to the UCC, it has been the sole vehicle through which new international copyright relations have been established between the United States and other countries.

In the nearly 30 years since we joined the UCC, its development has continued. Rather than withering away, it has become an important Convention in its own right. Like the Berne Convention it was revised at Paris in 1971 to take into account the demands of developing countries. In some circles, it is no longer regarded as a transitional or bridge Convention.

However, recent events have again awakened interest in the possibility of U.S. adherence to Berne. First, the United States withdrew from UNESCO at the end of 1984; second, the economic importance of the copyright industries continues to grow; and finally, the 1976 comprehensive revision of the U.S. copyright law brought our law generally in line with worldwide standards.

The U.S. withdrawal from UNESCO will not affect our membership in the UCC or our position on the Intergovernmental Copyright Committee (IGCC), the governing body of the UCC, but it does reduce significantly our ability to exert control over the programs of the UNESCO Copyright Division. It also removes any budgetary control we could exert over the general UNESCO copyright-related work through our participation in the UNESCO General Assembly's budget approval process. However, the very reasons for which we withdraw from UNESCO apply to an evaluation of its effectiveness as a forum in which U.S. worldwide concerns with copyright ought to be addressed. The influence of the developing countries is disproportionately strong in UNESCO, and this strength is felt in copyright matters. In fact, there are real pressures from the developing countries to revise the rules of procedure for the election of states to the IGCC so as to assure developing country control of the IGCC.

On the other hand, the Berne Convention is administered by the World Intellectual Property Organization (WIPO), a specialized United Nations agency headquartered in Geneva. WIPO is a well-managed, efficient organization where the influence of the developing countries is not as strong as it is in UNESCO. Even though we are not a member of the Berne Convention, we are a member of the Convention establishing WIPO, and we are one of the early signatories of the Paris Convention for the Protection of Industrial Property. Thus, we know well WIPO's capabilities and the strengths of its Director General who we understand is to appear before this Subcommittee tomorrow.

The importance of trade in products that embody intellectual properties continues to increase, placing an even greater emphasis on assuring the broadest possible copyright protection for American authors both in terms of the works and the rights protected, and in the number of countries in which that protection is available. Adequate and effective copyright protection is essential to American firms marketing abroad the works of our creative authors.

Finally, the comprehensive 1976 revision of the U.S. copyright law wrought some fundamental changes in American copyright that made our law, in principle, much more like the copyright laws of the Berne countries. Under the present U.S. law, copyright arises in a work upon its creation and fixation. It generally endures for the life of the author and 50 years after death. The role of formalities is greatly diminished, and the manufacturing clause is due to expire in 1986. Even though there are these basic major areas of correspondence, there are still some points of variance between the United States law and the standards of the Berne Convention, and some adjustments to the U.S. law will be required.

At the September 12, 1984, meeting of the Department of State's International Copyright Advisory Panel, the private sector representatives were unanimous in their support for adherence to the Berne Convention. Both proprietors and users of copyrighted works agreed that, in principle, membership in the Berne Union was an issue whose time had come. Traditional opponents of Berne membership have reevaluated their positions. For example, even though motion picture interests traditionally opposed Berne membership because of their concern over the question of moral rights -- generally, the right to claim authorship in the work and to object to actions that would prejudice the author's honor or reputation -- the Motion Picture Association of America supported Berne adherence because of the Association's conviction that adherence to Berne is important to the protection of their films in the ever-growing foreign market. Copyright users, represented by educators, also supported the concept of Berne adherence.

United States Benefits from Berne Adherence

A number of benefits will accrue to the United States upon adherence to the Berne Convention.

1. More Favorable Forum

The World Intellectual Property Organization (WIPO), a specialized United Nations agency dealing only with intellectual property matters, is better equipped than UNESCO to deal with modern intellectual property matters. The influence of developing nations in WIPO is not as great as in UNESCO and, in general, WIPO is less politicized than UNESCO.

2. Higher Levels of Protection

As the importance of trade in products embodying or based upon intellectual properties continues to increase, the importance of maintaining effective levels of international protection for U.S. producers and creators of these properties will also continue to increase. For example, the motion picture industry in 1983 had worldwide revenues of $2.5 billion, of which nearly $1 billion was brought back into this country. The computer software industry, a relative newcomer to copyright, had worldwide revenues of $18 billion in 1983, of which $10 billion accrued to U.S. firms. High levels of copyright protection are vitally important to these and other industries.

3. Better Political/Negotiating Posture

Adherence to the Berne Convention will enable U.S. trade and intellectual property officials to negotiate from a stronger base when seeking to address trade problems involving intellectual property and when representing the United States in international copyright meetings. This point will be especially important at the next revision conference of the Berne Convention and the UCC, which may occur toward the end of the 1980's. It will also put U.S. private sector business representatives on an equal footing with their equivalents from our major trading partners who are members of the Berne Convention, as well as the UCC.

4. Strengthen the International Copyright System

The international intellectual property system is under pressure from the demands of developing countries. These pressures have been particularly acute in copyright, especially in the areas influenced by new technologies -- high-speed photocopy machines, cable television, satellites, and computers. Our full participation in the governing body of the Berne Convention, the Berne Union Assembly, will put us in a better position to deal effectively with these problems. Also, United States membership in the Berne Union will serve to encourage newly industrialized and developing nations to adhere to Berne and conform their laws to the widely accepted standards of the Berne Convention.

5. Influence on Domestic Law

Membership in the Berne Convention will exert some influence on domestic U.S. copyright law. Certainly, formalities will have to be relaxed, but the nature and extent of other adjustments to the law is not yet determined. Beyond the immediate effect of any necessary conforming legislation, the most important aspect of Berne adherence will be to force us to realize that we cannot "go it alone" with respect to copyright policy. It will require us to think about copyright as an international system that maintains and assures basic levels of copyright protection and recognizes users' rights in a uniform manner essential to full United States participation in the worldwide information marketplace.

The exact scope of the legislative adjustments needed to bring the present U.S. copyright law into compliance with the Berne Convention has not yet been determined. However, the necessary changes and the areas of adjustment are presently being studied by an ad hoc group of private sector user and proprietor experts that has been convened under the auspices of the Author's League of America. Because this group has not yet completed its studies it is too early to discuss its work. However, previous studies and analysis have indicated areas of divergence between U.S. copyright law and the Berne Convention. These include:

1. The copyright formalities of notice and registration.

2. The compulsory licenses.

3. The moral rights of the author.

4. The manufacturing clause.

Objections to Berne Convention adherence could arise in the copyright user community -- librarians, educators (in spite of their present support for adherence), cable television operators, and other groups that advocate expansive application of private copying exemptions -- if they perceive that adherence would require higher levels of domestic copyright protection. Opposition could also develop in the printing industry if Berne Convention adherence becomes linked to the planned elimination of the requirement for domestic manufacture of works by American authors preponderantly in the English language.

Some features of legislation that might be needed to conform U.S. copyright law to the requirements of the Berne Convention could raise concerns in other U.S. copyright interest groups.

1. Librarians, educators, and reprint publishers rely on registration records, or the lack of a copyright notice or the date in the copyright notice to determine if a work is in the public domain. Although preliminary discussions indicate that there would be no opposition in this area, they may oppose making the use of the copyright formalities of notice, registration and recordation completely voluntary or providing non-copyright incentives for their use. However, under the present law, the value of the copyright notice as an indicator of protection or ownership has been substantially reduced, since all works are protected irrespective of their marking with a copyright notice. In most cases, the term of copyright expires 50 years after the author's death, not from a fixed period from the date in the copyright notice. Also, a copyright registration and recordation system could be maintained as a voluntary system or with non-copyright incentives to provide additional information about the copyright status of particular works.

2. Changes may be needed with respect to certain compulsory licenses in the U.S. copyright law. In particular, some European copyright experts believe that the compulsory license for the public performance of copyrighted music on jukeboxes will need modification. If this compulsory license must be eliminated in favor of rate setting in the private market, jukebox operators will oppose this legislation. However, the Administration as well as music composers, publishers, performing rights societies, and the American Bar Association are on record as being opposed to this compulsory license.

3. The Berne Convention requires the recognition of moral rights of authors. Since the scope of its application is undefined, there may be sources of support for and opposition to "moral rights" from groups that cannot be identified at this time.

These three possible areas of contention only emphasize the need to consolidate the present private sector support for adherence to the Berne Convention.

I am pleased to state that, after consideration of these points the Cabinet Council on Commerce and Trade unanimously endorsed Berne adherence as an important international intellectual property objective. Following this recommendation the Department of Commerce, in conjunction with the Department of State, will work with the Copyright Office, the leadership of the appropriate Congressional committees, and the private sector to encourage broad support for adherence and to secure agreement on any necessary implementing legislation.

We look forward to working with your Subcommittee and your counterpart Subcommittee in the House to develop a sound legislative package that will fulfill the wish expressed so plaintively nearly 100 years ago by Numa Droz, the chairman of the Diplomatic Conference at which the Berne Convention was adopted. He said he hoped that "when the pending questions concerning the rights of authors shall have been settled by the Congress, the United States will be able to join the contracting countries, and that they will occupy, the place which rightfully belongs to a country that is distinguished by so active and enlightened intellectual activity."

Mr. Chairman we submit that the time is now ripe to accept this offer. The Congress has settled the major questions regarding the rights of authors; all that remains are some areas of adjustment that certainly men and women of "active and enlightened intellectual activity" can agree upon and submit to you for your consideration and hopeful passage.

Mr. Chairman this concludes my prepared statement. I shall be happy to respond to any questions you may have.

RESPONSE OF DONALD J. QUIGG
TO WRITTEN QUESTIONS OF SENATOR MATHIAS

Q.

You mention in your prepared testimony that the Administration opposes, in principle, the jukebox compulsory license. Could you explain why it does, and how it reached this conclusion?

A.

The Administration is generally opposed to compulsory licensing, so, in principle, we do not favor the compulsory license for jukeboxes any more than any other compulsory license. In general we believe that compensation paid to creators for the use of their intellectual properties should be set by arms-length bargaining in the private market. Compulsory licenses are a measure of last resort and should be used only when there is a demonstrated failure of the private market.

In the case of jukeboxes, the Congress determined that a compulsory license was needed and established a mechanism to adjust periodically the rates that it had set when it established the license. My predecessor, Gerald Mossinghoff, testified before your Subcommittee that such a compulsory license should have certain characteristics. First, there should be a continuing payment for the continuing use of copyrighted works, and second, the rates should be set at levels comparable to what could be achieved by bargaining among the parties. I share those views.

Studies by United States and foreign copyright experts have consistently identified the jukebox provisions as a concern regarding Berne adherence. The exemption of jukebox operators from liability under the 1909 Copyright Law was believed to be a serious impediment to Berne adherence. With respect to the present compulsory license, divergent opinions have developed.

It was unanimously agreed during the 1967 Stockholm revision conference on the Berne and Universal Copyright Conventions that, since collecting rights societies typically administer large repertoires of musical works, "the countries of the [Berne] Union [could] take all necessary measures to restrict possible abuse of monopolies." From this position it can be argued that since performance rights in the United States are administered by large, well-organized collection societies, the jukebox license, in fact, is an antimonopoly provision. This position was adopted by British copyright expert William Wallace in his report to the Director General of the World Intellectual Property Organization (WIPO) on the United States Copyright Law and the Berne Convention. Even though this argument gained general acceptance in a meeting of a group of consultants to WIPO held in Geneva from June 5-7, 1978, final resolution of this question is far from certain.

The approach most compatible with the requirements of the Berne Convention would be to allow the parties to negotiate agreements in the marketplace without a compulsory license. A more compatible alternative would be to resort to compulsory licensing only in the event that the parties were to fail to reach an agreement. But any approach adopted should, at a minimum, provide for a continuing royalty for continuing use.

The present negotiated settlement of the jukebox controversy may well strengthen the validity of a position that the section 116 license is compatible with the Berne Convention and its recognition in Article 17 that countries have an inherent right to permit, control or prohibit by legislation or regulation the presentation of any work. That settlement reflects a bargain, achieved by the parties, establishing a way for jukebox operators and copyright owners to address issues of mutual concern in a spirit of negotiation. The bargain assures the continuing payment to copyright owners of fees at a level approximating an estimated free market value, and it also includes features for rebates to encourage compliance. In effect, the compulsory license itself is acting as "a sort of arbitrator between the author's collecting societies and users of the works they control, and this avoids any question of abuse of the monopoly position the societies enjoy." Guide to the Berne Convention, WIPO, Geneva, at page 99.

Q.

What rights, if any, will United States copyright owners lose under the Uniform Copyright Convention as a result of our nation's withdrawal from UNESCO?

A.

The simple answer to this question is that no rights will be lost. Our membership in the Universal Copyright Convention is independent of any membership status in UNESCO. However, there will be a real and immediate loss of influence over the way in which UNESCO directs the work of its Copyright Division, which is responsible for providing technical support to the programs carried out under the auspices of the Intergovernmental Copyright Committee (IGCC), the governing body of the UCC. Since our withdrawal from UNESCO at the end of 1984, we no longer participate in the UNESCO General Conference review and approval of the UCC program and budget. We participate fully in the work of the IGCC.

Q.

What compulsory licenses granted by Congress under our copyright laws would be affected by U.S. adherence to the Berne Convention? How would they be affected?

A.

Compulsory licenses are generally not permitted by the Berne Convention. In instances where compulsory licenses are permissible, they are dealt with specifically. In the areas of the compulsory license for the reproduction of music in sound recordings -- the so called mechanical license -- our §115 license is regarded as compatible with Article 13(1) of Berne. As well, the §111 compulsory license for cable retransmission and the compulsory license in §118 for public broadcasting uses of certain works are compatible with Article 11bis (2) of Berne. No changes in our law in these areas appears to be needed.

However, as previously discussed, it is not certain that the §116 jukebox compulsory license is completely compatible with Berne, but solid arguments in its favor can be made. There is also some question as to the compatibility of the reproduction rights granted to public broadcasting entities in §118. At present, it is our understanding that the compulsory license in this area has not been used, since the parties have been able to conclude voluntary licensing agreements. Thus, as a practical matter, there may not be a problem. This, therefore, is an area where repeal of the compulsory license might be appropriate.

Q.

Please cite the pertinent provisions of Berne that might prohibit the compulsory license for coin-operated phonorecord players and discuss any variations that might apply in other countries adhering to Berne.

A.

Article 11 of the Berne Convention deals with the public performance of protected works. It provides that:

> "(1) Authors of dramatic, dramatic-musical and musical works shall enjoy the exclusive right of authorizing:
>
> > (i) the public performance of their works, including such public performance by any means or process."

Article 11 does not provide for a compulsory license.

To our knowledge, no Berne member states have provisions analogous to the §116 jukebox license. In those countries, the public performance of music on jukeboxes is authorized by the copyright owner, or more typically by collecting societies on the owner's behalf, and jukebox operators pay fees as set by their negotiated agreements.

Possible justifications for the §116 compulsory license have been discussed earlier.

Q.

What mechanisms might be used to grant the coin-operated phonorecord player industry equal or better protection than Congress mandated for it in 1976 that would meet the provisions of the Berne Convention?

A.

The 1976 compulsory license is probably near to the outer limit of justifiable deviations from the general Berne prohibition of compulsory licensing. Short of revision of the Convention to sanction such licensing, the present provision is about as far as we can go. We have already discussed, how, as a practical matter, the present agreed upon settlement of the jukebox controversy may allay some concerns about this compulsory license. Perhaps, as a matter of policy, we should not seek to go further.

Congress can, of course, choose to expand or restrict the present compulsory license and we can seek to justify those actions within the scope of the Berne Convention. However, one of the presumed benefits of Berne membership is the ability to resist unwarranted erosions of authors' rights around the world. The imposition of compulsory licensing systems is a serious erosion of those rights and as a matter of policy the Administration has opposed such systems in other countries. If we justify our compulsory license in a manner that leaves open the door for others to do the same, our adherence to Berne may damage both international copyright and our own trading position in other countries. For this reason, I urge caution in dealing with the delicate question of compulsory licensing.

Q.

Is it possible for the U.S. to adhere to Berne and maintain Section 116 of the Copyright Act by reservation or in some other manner?

A.

The United States could adhere to Berne and maintain the Section 116 compulsory license, but not by reservation. Article 30 of the Berne Convention limits reservations to only four instances:

1. Continuation of reservations permitted under an earlier text of the Convention to which the country exercising the reservation had adhered.

2. Acceptance of the administrative provisions of the Paris Act only.

3. Reservations concerning the dispute resolution provisions of Article 33.

4. The Appendix which contains special rules for developing countries.

Apart from these, no reservations are allowed. The §116 license would have to be justified on some other basis. One possibility would be to treat it as a monopoly regulation provision since all countries retain the inherent authority to regulate monopolies as recognized in Article 17 of Berne. A justification for this approach is presented in the answer to the first question.

Senator MATHIAS. Our last witness this morning is Mr. C. Michael Hathaway, deputy general counsel of the Office of the U.S. Trade Representative.

Mr. Hathaway, we are happy to have you with us.

STATEMENT OF C. MICHAEL HATHAWAY, ESQ., DEPUTY GENERAL COUNSEL, U.S. TRADE REPRESENTATIVE, WASHINGTON, DC, ACCOMPANIED BY ALICE ZALIK, ASSISTANT GENERAL COUNSEL

Mr. HATHAWAY. Thank you, Mr. Chairman. I would like to introduce Alice Zalik, who is assistant general counsel in our office and who chairs the interagency body that deals with trade and intellectual property.

I have a very short statement and I will make it even shorter.

The Trade Representative is concerned when policy decisions involving copyright and other intellectual property matters impact our international trade relations. We are enhancing our efforts to increase worldwide protection provided to intellectual property.

In the Trade and Tariff Act of 1984 there were several provisions expressly linking protection afforded intellectual property by foreign countries and certain of our U.S. trade laws. I have attached a summary of those five different areas in the trade law that now link intellectual property protection and international trade. We have a responsibility under that legislation to coordinate a review of all trade barriers affecting U.S. commerce, including those affecting intellectual property: patents, trademarks, and copyrights. We are working through an interagency committee, which Alice Zalik chairs, to analyze acts, policies, and practices of foreign governments that constitute significant barriers to or distortions of trade affecting exports of U.S. goods and services that are protected by trademarks, patents, and copyrights. As part of that exercise we must provide an estimate of the impact those barriers have on U.S. commerce. That work is under way now and it is something that is of significant importance to the administration. The report which will result from that is of central importance to the Trade and Tariff Act provisions. In the process of preparing that report it has become necessary for our office through the interagency group to coordinate the development of criteria for evaluating whether trade laws or other laws and practices of other countries provide adequate and effective protection of patents, trademarks, and copyrights.

As part of that report we are also required to indicate the actions that have been taken to achieve adequate and effective protection of those intellectual property rights, including consultations and negotiations, or including the possible imposition of trade restrictions by the United States in response to inadequacies in protection of intellectual property. These consultations and negotiations with foreign governments include in many instances countries that adhere to the Berne Convention. These governments have grounds for questioning the sincerity of the U.S. interest in adequate and effective protection of copyrighted works when we ourselves have not chosen to adhere to the Berne Convention.

The issues we would like to focus upon in the discussions is the adequacy of their intellectual property protection. This can often be confused by questions of the U.S. participation in other international forums such as the Berne Convention and our own sincerity in providing protection both in the United States and in other countries. In the consultations with countries that are sometimes not signatories to either the Universal Copyright Convention or the Berne Convention, we are frequently asked to provide information on which conventions are desirable, what benefits countries obtain from becoming members and why the United States has an interest in other countries joining both of those international disciplines. We are in a somewhat awkward position when attention is focused on the fact that the United States only is a member of one when we, in fact, advocate other countries' memberships in both.

In short, our negotiations on intellectual property rights protection would be enhanced if we were in a position to be an adherent to both the Berne Convention and the UCC.

Thank you, Mr. Chairman.

Senator MATHIAS. Thank you very much, Mr. Hathaway.

Your testimony is, of course, particularly valuable because your office is on the front line in dealing with many countries around the world on a variety of trade issues. You see these issues in the rather sharp perspective in which they are cast during a negotiation.

You have raised the morality question again; whether the United States is sincere in its attitudes. In the light of the experience of the Office of Trade Representative in dealing with various parts of the world, will we demonstrate our morality and sincerity by joining the Berne Union? Can we then look to other nations to live up to that same standard of conduct?

Mr. HATHAWAY. It is our assessment that we would benefit. We are often in the position of negotiating, sometimes with less leverage than we would like, and it is always helpful to be able to focus the discussions on the issues on our agenda as opposed to disadvantageous focus on any flaw in our own sincerity. Their perception of our sincerity, I think, would be a better way of saying it.

Senator MATHIAS. You seem to be somewhat sensitive to this issue. I assume you have heard about it as a result of various negotiations in which your office has been a participant.

Our general standards of intellectual property protection, as the Director General said earlier today, have been traditionally high. There is a respect for intellectual property in the United States. So I think it is a technical rather than a moral lapse on our part.

What countries do you think would take advantage of this moral lapse on the part of the United States?

Mr. HATHAWAY. Any country that from whom we were asking for anything in this area that was a member of the Berne Convention. I have been in trade negotiations long enough to realize that many countries on the face of the Earth are able to keep a straight face when asking us for something we would have a difficult time keeping a straight face if we were asking them for it. We have many, many areas now with, for example, Taiwan, Singapore, Mexico, Japan, Korea, and Brazil where we are actively engaged in discussions on protection of intellectual property issues. The number of those countries is going to be expanding substantially as a result of another amendment to this Trade and Tariff Act dealing with the Generalized System of Preferences. Under that provision we will be taking into account intellectual property protection in making decisions on GSP preferences. That is going to broaden the base of countries that will be involved in discussions with our office and with other Government agencies on intellectual property in the next few years.

Senator MATHIAS. I think you are saying you would be very relieved if this particular objection, or at least rhetorical objection, could be removed from the agenda.

Mr. HATHAWAY. It certainly would not be harmful. Sometimes countries ask what is it worth to us to get rid of something. Even if its worth is not some quantifiable amount, there is sometimes more of a benefit to participation in the process than in getting rid of something. I cannot resist the opportunity of telling you a story I heard in negotiations on steel recently from another country. We were talking about making a deal when you had very little to give. This was in a country near Dr. Bogsch's homeland. A farmer was trying to raise money because he was about to go broke. He had nothing on which to negotiate better terms for obtaining seeds and things that he needed for putting in his spring crops. He said to his banker, "I think I will sell my horse."

And the banker laughed and said, "Your horse is old. It has no teeth. It cannot pull a plow. All it can do is consume food."

And the farmer said, "Nevertheless, I think I am going to have to sell it." And he said to the banker, "Take yourself. What would you give for my horse?"

And the banker said, "Me? Nothing."

And the farmer said, "Deal." [Laughter.]

We have many instances where we look at things as what is there in it for us when there is nothing that is quantifiable. We would be better off without the burden of being cut of compliance, being in the process of the Berne Convention, if we are truly going to make intellectual property a major trade initiative in the future.

Senator MATHIAS. Is that not what you see as the wave of the future? As we move away from smokestack industry and into service industry, will we become more and more involved in the business of exporting intellectual property?

Mr. HATHAWAY. In fact, Ambassador Brock in his tenure as Trade Representative had stated very emphatically that intellectual property, and particularly as it relates to the more advanced areas for U.S. trade in high-technology products and services, is going to be one of the more important areas for U.S. negotiations in the future.

Senator MATHIAS. So that sets up really the importance of this consideration of this adherence to Berne.

Mr. HATHAWAY. I believe it does.

Senator MATHIAS. Are there any specific industries that come to mind that might benefit if we joined Berne Union?

Mr. HATHAWAY. I would not even be able to list all of the ones that have been in to see us to say how much of a benefit intellectual property enforcement is in their future. A few years ago when we went through negotiating in the GATT ministerial we made an effort to obtain negotiations on high technology products, we discovered that virtually every segment of the U.S. economy considers itself to have a significant interest in high technology and therefore intellectual property. It is not limited to computers or advanced chemicals or biotechnology. In fact, every area from agriculture to the automobile industry is highly involved and has a big stake in intellectual property rights and their effective enforcement worldwide.

Senator **MATHIAS**. What about any of the domestic industries that might be harmed by adherence to the Berne Convention?

Mr. **HATHAWAY**. What comes to mind has been discussed by printers in connection with the manufacturing clause and its possible elimination. We went through a fairly extensive debate at the last time the manufacturing clause was extended, and I think there was a healthy disagreement at that time on the impact in terms of the number of jobs that might be lost as a result of the termination of the manufacturing clause. Since that time there has been one study by the International Trade Commission and the result of some of that was that the initial higher estimates on the number of jobs lost was at least two orders of magnitude higher than what the ITC found in its employment study. The difference was something on the order of close to 400,000 jobs lost in the highest estimates during the heat of the debate on the extension of the manufacturing clause and the ITC report was something on the order of 5,000 jobs which was closer to the lower end of the earlier estimates. I know that you have requested an update of the Labor Department's estimate of that, and I think there is certainly concern in that area, but most of the data that is coming in now indicates that the initial concerns that were expressed the last time the manufacturing clause was to end are way out of proportion.

Senator **MATHIAS**. Do you think the manufacturing clause violates GATT?

Mr. **HATHAWAY**. It has, in fact, been found to be so violative. In fact, more technically correct, the extension of it was found to be a violation. As you know, the manufacturing clause was in existence at the time of our accession to the GATT and at that time we were under the obligation to bring all of our laws in conformity as soon as reasonably possible. The protocol of provisional application was used really as a justification for its maintenance. When it was extended recently, the complaint was brought in the GATT that has gone through the complete dispute settlement process and as of May 1984 the United States has been requested after a finding by the contracting parties to the GATT to bring its law into conformity within a reasonable period of time. So we are now under a clear finding that the manufacturing clause is a violation of the General Agreement of Tariffs and Trade and that the United States is under an obligation to bring its laws into conformity within a reasonable period of time. So we have some flexibility on when we would need to be in conformity, and presumably we will be in a position of being in conformity if the law is not extended, again, after the scheduled expiration.

Senator **MATHIAS**. Suppose the law is extended. You were uncomfortable under the impact of the morality question.

Mr. **Hathaway**. We will be in the business of trying to sell somebody a toothless horse. [Laughter.]

Senator **Mathias**. One final question. Your office, of course, can play a very important role in intellectual property protection. The Director General does not have an army of his own for enforcement. What can be done depends somewhat on how nations respect the concept of intellectual property protection. Respect accorded to intellectual property protection can be expressed in many ways. One way is comprehensive negotiations between nations insisting on proper respect for intellectual property. I cite that because under the Caribbean Basin Initiative there was specific consideration of intellectual property protection. In your report you mention the effort by Congress to tie trade benefits to adequate and effective protection of intellectual property, specifically GSP benefits under the Trade and Tariff Act of 1984 and concessions under the Caribbean Basin Initiative. What has been your experience in that field?

Mr. **Hathaway**. The Caribbean Basin Initiative has already gone into place and, in fact, the specific problem that was raised there involved Jamaican interception of television transmissions, and that has been corrected as part of their designation as a beneficiary country under the Caribbean Basin Initiative. In fact, that provision of the law was successful in solving the problem that was seen.

The Generalized System of Preferences review is, in fact, under way now. The study that Alice Zalik's interagency committee is undertaking will, in fact, be used as part of the information to be considered in the determinations on products from countries eligible for the Generalized System of Preferences benefits. That is something that will be taking place in the future. There have not been determinations on that basis yet, but it is something——

Senator **Mathias**. Do you know when that report will be available?

Mr. **Hathaway**. The GSP report under the Trade and Tariff Act is due January 4, 1988. The trade barrier report will be due annually, with the first report due in October. The Generalized System of Preferences review which will take into account intellectual property rights will be complete 2½ years from now.

Senator **Mathias**. We will look at your report with interest.

We may have some further questions that we would propound to you in writing, and if so, I would appreciate your answering them for the record.

Mr. **Hathaway**. We will do so.

[The prepared statement of Mr. Hathaway and responses to written questions of Senator Mathias follow:]

Prepared Statement of C. Michael Hathaway

Mr. Chairman and Members of the Subcommittee, I am Michael Hathaway, Deputy General Counsel for the Office of the United States Trade Representative. I am pleased to be able to appear before you this morning.

The United States Trade Representative's Office does not testify customarily on the U.S. position with regard to an international copyright convention. Even though my comments today will be brief, the Trade Representative is concerned with policy decisions involving copyright when those decisions have implications for international trade. Our role here today is to draw to your attention the implications of

U.S. international copyright relations for U.S. government efforts to improve the protection provided intellectual property worldwide.

The Trade and Tariff Act of 1984 contained several provisions expressly linking the protection afforded intellectual property by foreign countries with certain U.S. trade laws. A summary of those provisions is attached to my statement. The legislation also requires that, as part of an overall review of trade barriers, the U.S. Trade Representative, working through the interagency Trade Policy Committee, identify and analyze acts, policies, and practices that constitute significant barriers to, or distortions of, among other things, exports of U.S. goods and services protected by trademarks, patents, and copyrights. As part of the report, the Trade Representative must estimate the impact the barriers have on U.S. commerce.

The report is the pivotal provision of the Act related to intellectual property. The report must describe the actions the U.S. government has taken, including the use of consultations and negotiations with foreign governments and the possibility of imposing trade sanctions, to eliminate or reduce the barriers it has found to exist. The analysis of identified trade barriers also will be used in making decisions involving duty free treatment for beneficiary developing countries under the U.S. Generalized System of Preferences.

Implementation of the Trade and Tariff Act will unify the efforts of the U.S. government to improve the protection granted patents, trademarks, and copyrights worldwide. The Trade Representative will have to coordinate the development of criteria for evaluating whether the laws and practices of other countries are adequate and effective. A plan of consultations and negotiations with those governments necessarily will follow the analysis as a result of the requirements of the law.

Copyright issues will be included in these consultations and negotiations with foreign governments, including, in some cases, governments of countries that adhere to the Berne Convention. Those governments would have some grounds for questioning the sincerity of U.S. interest in "adequate and effective" protection for copyrighted works, when we ourselves have not chosen to adhere to the Berne Convention. The issues we would like to focus on in the discussions could be confused if the foreign government raises the reasons the U.S. had declined to adhere to the Berne Convention.

In addition, during consultations with countries that are not signatories to either the Universal Copyright Convention or the Berne Convention, the U.S. representatives frequently urge the foreign government officials to consider adherence to one or both of those conventions. Those officials often ask which convention is preferable or to which the United States belongs. Those are difficult questions to answer when the United States is a signatory only to one of the conventions. In short, our negotiating position would be stronger if we could outline the provisions of each convention and indicate that we were prepared to adhere to both.

RESPONSES OF C. MICHAEL HATHWAY TO WRITTEN QUESTIONS OF SENATOR MATHIAS

Question. Would United States adherence to the Berne Convention help us to combat piracy and trademark counterfeiting overseas?

Answer. We believe that U.S. adherence to the Berne Convention would strengthen our position in discussions with other governments regarding the protection they afford the works of U.S. nationals under their copyright law. Were the U.S. a Berne signatory, we might rely on the minimum standards of protection specified in that Convention with those countries which are signatories to Berne and we might cite to the Berne Convention as an indication of internationally recognized minimum standards of protection for copyright. As a non-signatory, we have difficulty basing arguments for improved protection on the provisions of Berne. Since the Universal Copyright Convention lacks the specificity of the Berne, it does not provide U.S. officials with sufficiently clear internationally recognized minimum standards of protection.

Since the Berne Convention deals with copyright protection, our adherence would improve our efforts to combat trademark counterfeiting overseas only by eliminating an issue that might be raised by those who wish to cast doubt on the sincerity of our belief in the value of intellectual property protection generally.

Question. Can you name specific industries in the United States that would benefit from U.S. adherence to Berne? How would they benefit?

Answer. We defer to the Office of the Register of Copyrights for this question. Industries based on the production and marketing of literacy and artistic works, e.g., publishing, motion picture production, audio recording, software production, etc., however, have been working closely with USTR on the implementation of the intellectual property related provisions of the Trade and Tariff Act of 1984. They have an interest in seeing that we negotiate from the strongest position possible.

Question. Can you think of any creative approaches to the manufacturing clause that would meet the standards required under the Berne Convention but that would fall short of total elimination?

Answer. Once again, we defer to the Office of the Register of Copyrights regarding the obligations of the Berne Convention in relation to the "manufacturing clause." We would like to point out, however, that the Berne Convention is not the only international agreement which must be considered in relation to the "manufacturing clause." Following the extension of the clause in 1982, the European Communities requested the General Agreement on Tariffs and Trade to establish a panel to determine whether the extension of the clause was consistent with U.S. obligations under GATT. The panel determined that our extension of the clause beyond the expiration date inserted in the copyright law by the 1976 amendment was inconsistent with our obligations. That report, which included a recommendation that the United States bring its practice into conformance with its obligations "within a reasonable time," was adopted in May of 1984. Were the clause to be extended once more, it could serve as the basis of a request for compensation by the E.C. and any other GATT signatory affected adversely.

Question. You mention in your testimony the recent effort by the Congress to tie trade benefits to "adequate and effective" protection of intellectual property—specifically GSP benefits under the Trade and Tariff Act of 1984, and trade concessions under the Caribbean Basin Initiative. We eagerly await your report. Can you give us any initial clues as to what you are finding?

Answer. There actually are three new reports required by the Trade and Tariff Act which include intellectual property in the larger trade context. The first is the trade barriers report which is due by the end of October of this year to the House Ways and Means Committee and the Senate Finance Committee. In it, we must identify barriers to U.S trade and investment, including those involving the protection of intellectual property, estimate the effect on U.S. commerce, and describe the efforts the U.S. government has made to eliminate the barrier. The report must be updated annually.

Two other reports are required under the Generalized System of Preferences, the first on products, the second on beneficiaries. Each requires that the President reconsider all of the discretionary criteria which he considers in determining to designate a country as a beneficiary.

We are compiling information now supplied to us by the private sector both in writing and at public hearings. We have identified the following four trade barriers related to copyright:

Lack of copyright protection for foreign works.
Burdensome registration requirements.
Lack of means to prevent unauthorized retransmission of broadcast signals.
Lack of protection for three dimensional represenatations of two dimensional works.

The following three trade barriers affect enforcement of copyrights as well as other forms of intellectual property rights:

Lack of access to the courts.
Lack of discovery or some equivalent means for obtaining information when the burden of proof in an infringement suit is on the intellectual property owner.
Penalties for infringement which are inadequate to discourage the practice.

Using the information submitted by the private sector, we are preparing information on the practices of individual countries that fall within these identified trade barriers.

Question. Have the provisions led to any measurable improvement in protection of intellectual property in the beneficiary countries? Can you point to any specific changes in the domestic laws of the beneficiary countries?

Answer. The Trade and Tariff Act was enacted on October 30 of last year so it would be inappropriate to attribute improvements in intellectual property protection abroad to its provisions. The discussions of the proposals related to intellectual property protection that went into the Act, however, did bring the issue, and the importance we place upon it, to the attention of many foreign government officials. The U.S. Government had held bilateral consultations with foreign government officials on intellectual property protection as a trade issue as early as 1981 and had been working to develop an international agreement for the control of commercial counterfeiting in international trade since 1978. Implementation of the provisions of the Caribbean Basin Economic Recovery Act required, among other things, obtaining commitments from countries where problems existed to change their practices.

These activities focused attention on intellectual property protection as a trade issue.

As mentioned above, the beneficiary countries under the CBI program gave commitments to change or eliminate practices related to intellectual property that failed to provide "adequate and effective" protection for the rights of foreign nationals. The trademark and copyright laws of Taiwan have been amended to provide greater protection and to increase penalties for infringement. Singapore has taken some steps to prosecute pirates of audio recordings. Several developing countries are drafting legislation to improve their patent, trademark, or copyright laws. We will have more information about these changes in the trade barriers report, along with information about all other issues of market access.

Question. When can we expect to get the report?

Answer. By the end of October at the latest.

Senator MATHIAS. Thank you very much for being here.

We appreciate the attendance of all of the witnesses and particularly the honor of having the Director General with us today and having him testify and stay for these proceedings.

The committee stands in recess subject to the call of the Chair.

[Whereupon, at 12:05 p.m., the subcommittee adjourned, subject to the call of the Chair.]

U.S. ADHERENCE TO THE BERNE CONVENTION

TUESDAY, APRIL 15, 1986

U.S. Senate,
Subcommittee on Patents,
Copyrights and Trademarks,
Committee on the Judiciary,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:33 a.m., in room SR-485, Russell Senate Office Building, Hon. Charles McC. Mathias, Jr. (chairman of the subcommittee) presiding.

Also present: Senator Specter.

Staff present: Steven J. Metalitz, chief counsel and staff director; Randy Collins, professional staff member; Isabelle Rodriguez, legal intern; Pam Batstone, chief clerk; Beverly McKittrick, counsel to Senator Laxalt; John Podesta, minority chief counsel; Carl Hampe, counsel to Senator Simpson; and Debbie McIlroy, counsel to Senator Specter.

OPENING STATEMENT OF HON. CHARLES McC. MATHIAS, JR., A U.S. SENATOR FROM THE STATE OF MARYLAND; CHAIRMAN, SUBCOMMITTEE ON PATENTS, COPYRIGHTS AND TRADEMARKS

Senator **Mathias**. The subcommittee will come to order.

Today, we continue our examination of U.S. adherence to the world's premier international copyright agreement, the International Union for the Protection of Literary and Artistic Works, which is better known as the Berne Union.

The question of whether or not this country should join the Berne Union, of course, is not a new question. It has been considered in the past at great length. But the circumstances under which we make this examination charge the issue with a new sense of urgency.

Changes in technology, the global demand for the products of American culture, and the increasing importance of intellectual property to our national prosperity are landmarks of the whole terrain of copyright.

Increasingly, the vexing problems in copyright must be cast against an international background. We need innovative solutions as we seek to maintain the rights of authors, to combat piracy, and to meet the needs of the developing countries.

The Berne Union and the century of experience in international copyright that it embodies is a resource that we can ignore at our own risk.

At the last hearing on this subject, witnesses representing the administration advocated adherence to Berne as a necessary step in furthering U.S. copyright interests abroad.

We are today meeting to place on the record the views of the private sector, and I think the subcommittee will be particularly interested in two issues. First, do the private sector participants in the copyright system agree that the United States should adhere to the Berne Union?

Second, what changes in our own copyright law would have to be made in order to meet the requirements of the Berne Union, and how would these changes affect the rights of those who create, disseminate, and use copyrighted works? These are complex questions, but fortunately we have some expert witnesses to assist us in finding the answers. At the request of the Department of State, an ad hoc working group of copyright practitioners was convened to examine the changes necessary in U.S. law. This morning we will hear from the working group's chairman and several of its members.

In addition, at the request of the subcommittee, the staff of the Copyright Office has prepared a document suggesting options for implementing legislation. I think these resources should help us in a practical way to gain some appreciation of the consequences of U.S. adherence to Berne.

The witness list today is a cross-section of participants in the implementation of the copyright system. It includes copyright proprietors, users of copyrighted materials, and the creators themselves. It is, of course, impossible to have live testimony from all of the interested parties, but we will solicit comments from other organizations, including the larger business and consumer community. We will begin the hearing with a panel designed to address really what are the overarching legal issues raised by adherence to Berne. Because time is a critical factor—the Senate is now in session and we are possibly going to be interrupted by rollcalls or other demands from the Senate floor—I am going to have to impose a 4-minute rule on witnesses. In other words, I ask each witness to limit his or her oral presentation to 4 minutes.

All written statements, however, will be entered in full in the record. I will now so direct, in order that you may all be assured that without any further action on the part of the Chair, all written statements will appear in the record as if read.

We will begin with a panel: Mr. Irwin Karp, chairman of the ad hoc working group; Prof. Don Wallace, of the Georgetown University Law Center; and Prof. John Kernochan, of the Columbia University School of Law.

Gentlemen, do you have any preference as to your order of speaking?

Let me say for the benefit not only of the first panel but of all panels: we operate on the traffic light system. Most of you are veteran witnesses and already know that system. As long as you have the green light, go ahead, but when the red comes on, do not try to run the red.

Mr. KARP. Shall I begin?

Senator MATHIAS. That will be fine.

STATEMENT OF A PANEL CONSISTING OF: IRWIN KARP, CHAIRMAN, AD HOC WORKING GROUP ON U.S. ADHERENCE TO THE BERNE CONVENTION, NEW YORK, NY; JOHN M. KERNOCHAN, NASH PROFESSOR OF LAW, COLUMBIA UNIVERSITY SCHOOL OF LAW, NEW YORK, NY; AND DON WALLACE, JR., PROFESSOR OF LAW, GEORGETOWN UNIVERSITY LAW CENTER, WASHINGTON, DC

Mr. KARP. Mr. Chairman, I thank you very much for this opportunity to address the basic legal questions involved in adherence of the United States to the Berne Convention. My statement contains a summary of the reasons, which I think are very compelling, for the United States to join Berne, but I will not reiterate them in my oral presentation.

Suffice it to say that we have had a free ride on the Berne Convention for many, many years, basically because of our adherence to the Universal Copyright Convention, and that there is a grave risk that the ride is about over.

Indeed, the Berne Convention, as my statement points out, has provisions under which its member countries can retaliate against nonmembers, such as the United States, which do not give adequate protection to the authors of that Berne country.

The ad hoc working group has prepared a report which you have referred to, and it is in the process of receiving comments from interested individuals and organizations. The group will submit a final report to the subcommittee and other Government agencies, including comments, where appropriate, on the Copyright Office discussion of implementing legislation, which brings me to the first and probably threshold question; namely, what sort of legislation is required of Congress in order for the United States to enter the Convention.

The ad hoc group has concluded in its report that the Berne Convention is not self-executing, and that means simply that the Congress must amend the Copyright Act to change those provisions which are incompatible with Berne.

It is our view that by adhering to Berne, we do not automatically write the provisions of the treaty into U.S. law, and that view is shared by the Copyright Office in an internal report that I cite. It is also shared by other copyright experts.

Any lingering doubts about Berne's non-self-executing status could be assuaged by a reservation in the Senate resolution indicating the Senate's view that the treaty was non-self-executing.

Last, it is important to note that even if Berne were self-executing, it would not be so with respect to works of U.S. origin, since they are beyond the reach of the Convention.

In considering changes in U.S. law to achieve compatibility, there is one basic factor that has to be recognized; namely, that the Convention itself does not require the United States to give Berne-level protection to works of which it is the country of origin, such as works first published in the United States.

Article 5(3) of the Convention deals with that subject, and I have quoted from the guide of the World Intellectual Property Organization which discusses the impact of 5(3). It would be sufficient, therefore, for the Congress to deal only with the incompatibility of a given section as it applied to works of foreign origin.

This is not to say that the Authors League and other creators' organizations are in favor of a total, across-the-board, two-tier system; namely, a system under which revisions would be made for works of foreign origin and not for works of domestic U.S. origin.

For example, on the manufacturing clause, the Authors League would continue to oppose the clause, as it is doing now both in Congress and in the courts. Indeed, if the manufacturing clause were amended to apply only to works of domestic origin, it would make it even more damaging to American authors.

But there is a basic policy decision that not only the Congress but also authors and other creators and copyright organizations will have to make. The basic purpose of going into Berne is not to improve U.S. copyright law. Our basic purpose, I think, is to enable us to obtain the benefit of the Berne protection, and we have to keep that in mind.

[Mr. Karp's submissions for the record follow:]

PREPARED STATEMENT OF IRWIN KARP

Mr. Chairman: My name is Irwin Karp. I am counsel to The Authors League of America. I also am Chairman of the AD HOC WORKING GROUP ON U.S. ADHERENCE TO THE BERNE CONVENTION, (the "Ad Hoc Group") whose preliminary Report on the compatibility of Unites States copyright law with the Berne Convention has been submitted to the submitted to the Subcommittee. A summary of the Ad Hoc Report's conclusions is attached to this statement.

I am very grateful to the Subcommittee for this opportunity to discuss questions of law involved in possible United States adherence to the Berne Convention which becomes 100 years old this September 9th. 78 nations, including those that constitute the primary foreign market places for works of American authors, dramatists and composers, are committed by their membership in Berne to grant to authors of other Berne countries -- in their respective copyright statutes -- the high level of protection for their works which is prescribed in the Convention's text.

Thanks to the 1978 Copyright Revision Act, our statute was brought closer to Berne's standards, particularly with the adoption of the life-plus-fifty year copyright term. With the strong support for U.S. adherence to Berne voiced by officials of the Executive Branch in your Subcomittee's hearing last spring, questions about the "compatibility" of U.S. copyright law and Berne, and the legislative procedures required for our entry into Berne, are most timely. Before turning to them, I would like to explain why American authors support United States membership in the Convention. (In doing so, I am not speaking for the Ad Hoc Group, which takes no position on this fundamental policy issue.)

I. Why The United States Should Join The Berne Convention

The Authors League's President, Garson Kanin, will tell you why American authors and dramatists believe it is imperative that the

United States finally become a member of the Berne Convention. I supplement his statement by recapitulating some of the reasons for U.S. adherence.

1. As Barbara Ringer, former Register of Copyrights, told the Subcommittee, United States adherence to Berne would give it a much-needed voice and role in the Convention's administration and policy making activities of the Convention. This participation is crucial because international efforts and cooperation are necessary to deal with the copyright problems created by new technologies that transcend national boundries, and to cope with rampant foreign piracy of U.S. copyrighted works. The United States must join the Berne decision-making process to deal effectively with these problems of crucial artistic and financial importance to American authors and copyright industries.

2. U.S. authors, composers, artists, film companies, publishers, broadcasters, etc. now enjoy a high level of copyright protection in many countries, thanks to the Berne Convention. One conduit to that protection is the Universal Copyright Convention (the "UCC"), to which we belong. But the U.C.C only obliges its members to grant U.S. authors the same protection their laws give their own nationals. It is the Berne Convention which requires each Berne/UCC member to establish the superior Berne safeguards in their copyright statutes. It is Berne, therefore, which has provided this vast benefit for many years to American authors and copyright industries.

The Authors League believes the United States has an obligation, for this enormous "value received", to enter the community of Berne nations. The financial cost of membership is minimal; the changes required in our copyright law are "doable"; and they will not impair the legitimate interests of any copyright-user sector, public or private.

3. Our present "free-ride" on the Berne Community will be challenged. Some European nations impatient and angered by the extension of our "manufacturing clause" have threatened retaliation. It would not be difficult for them to do unto U.S. authors and publishers

what we have done to theirs during all the years they have given U.S. works the higher Berne-level of protection.

In fact, the Berne Convention contains a provision that that "allows (Berne) Union countries to retaliate against non-Union countries." [WIPO - Guide to the Berne Convention, p.39]. Article 6 Par. 1, provides that when a non-Berne country fails to "adequately" protect works of a member-country's authors, that member may restrict its protection of works by authors of the non-Berne country. That's us. By Berne standards, the United States does not adequately protect the works of Berne-nation authors; several sections of our Copyright Act are not compatible with Berne, as applied to works of those foreign authors. Faced with a century of U.S. refusal to join Berne, and mounting indignation by their authors, publishers and producers, some Berne countries may finally turn to Article 6, and end our free ride to Berne protection under their laws.

American creators and producers also have relied on the "back door" (simultaneous publication here and in a Berne country) as a conduit to Berne protection in other countries. But even now that is not a a reliable passport. Many allegedly "simultaneous" publications would not withstand close examination. And in any event, Berne countries could close the "back door" under Article 6.

4. The U.C.C cannot give U.S. works a free ride to Berne protection in several countries. As former Acting Register of Copyrights, Donald Curran, informed the Subcommittee, many Berne members never joined the U.C.C. Consequently, these nations are not required to give U.S. authors the high level of protection their laws provide by virtue of Berne. By joining the convention, Mr. Curran noted, the United States would regularize its copyright relations with them, and thus secure Berne-level protection for U.S. authors and producers under their laws.

5. United States adherence to Berne would greatly improve our chances of stamping out the rampant piracy that floods world markets with unauthorized copies of U.S. books, films, videocassettes,

records, and other works. Much of this illicit copying occurs in countries that have weak or illusory copyright laws which give U.S. copyright owners no chance to protect themselves against this pillage. But some of these countries may be persuaded to join Berne, and in doing so, would greatly strengthen their copyright laws. This would not help our authors and producers unless the United States is a Berne member. Ironically, some countries which are hotbeds of piracy invoke our rejection of Berne as a reason for rejecting our requests that they improve their statutes: "practice what you preach", they tell us and they are right.

II. The Ad Hoc Working Group

The Ad Hoc Group was formed at the State Department's suggestion to study the compatibility of the U.S. Copyright Act, and related legal provisions, with the Berne Convention. The Ad Hoc Group* prepared a preliminary report that was submitted to your Subcommittee and Chairman Kastenmeier's Subcommittee, the Copypright Office and agencies in the Executive Branch. The Ad Hoc Report also was sent to interested individuals and organizations and they were invited to comment on it. Some comments have been received, and more are expected. The Ad Hoc Group Group will take them into account in preparing the final Report, and will publish all comments in an Appendix. The final Report will be submitted to this Subcommittee, its House counterpart, Executive Agencies, and the Copyright Office.

I emphasize that the Ad Hoc Group does not take a position on the basic policy questions involved; i.e. should the United States join Berne; and if so, what changes should be made in our copyright and related laws. Some members believe this country should adhere to the convention; some represent or are affiliated with organizations that support adherence. But the Group's purpose was to consider the technical question of compatibility: do the U.S. Copyright Act, other Federal and state statutes, and common law provide the level of protection the Convention requires for works originating in other Berne-member countries. The Group considered this question as it arises in 13 areas. Its preliminary report concludes that some provisions studied are compatible with Berne; and that others do not provide the degree of protection Berne requires for works of foreign origin, and must be revised in order for the United States to adhere to Berne.

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* The members of the AD HOC WORKING GROUP are Irwin Karp; Norman Alterman; Jon A. Baumgarten; Leonard Feist; Morton David Goldberg; Bella Linden; I. Fred Koenigsberg; William Maxwell; Gary Roth; Hamish R. Sandison; Augustus W. Steinhilber; Robert Wedgeworth; and, ex officio: Harvey J. Winter (Executive Secretary); Donald C. Curran; Lewis Flacks; and Michael S. Kepplinger. Their affiliations are listed in the Foreword to the draft Report solely for identification and do not imply endorsement of the Report by the organizations mentioned.

A summary of the conclusions is attached to my statement. I will discuss some of them, expressing my own views; the Ad Hoc Report itself speaks for the AD HOC WORKING GROUP.** I also will offer some comments about the Copyright Office's recently-completed "Draft Discussion Bill & Commentary". But since I just received it, I have not yet studied it thoroughly, and I therefore request the Chairman's permission to submit a supplemental statement setting forth the League's views on the Copyright Office's proposals and analysis. Commentary.

III. The Need For Implementing Legislation

A threshold question concerning U.S. adherence to Berne is whether the Convention is or is not a self-executing treaty. If it were self-executing, under principles of U.S. constitutional law, its provisions would automatically become law in the United States upon ratification and deposit of the instrument of accession (save for clauses that did not fall into the self-executing category.)

If, however, the Convention is not a self-executing treaty, then the rights it stipulates for authors can only be enforced here to the extent provided by existing U.S. law or by further legislation Congress enacts to implement ratification of the Convention; i.e. legislation passed by the House and Senate to amend the Copyright Act,

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**The preliminary Report is presented as the joint work of the AD HOC WORKING GROUP and represents a general consensus, but this does not apply unanimous agreement of the Group on any given point. Members who disagree on specific provisions will express those views in the Appendix.

and possibly other statutes, to eliminate incompatibilities with Berne's provisions.

The Ad Hoc Report concludes (Chapter 12), that Berne is not a self-executing treaty. As it notes, the question is one of U.S. constitutional law, to be determined under principles established in Supreme Court and Court of Appeals decisions. The Report cites the 1979 opinion in Mannington Mills v. Congoleum Corporation , 593 F.2d 1287 (3d Cir.) holding that the 1883 Paris (Industrial Property) Convention was not self-executing because its Article 17 expressly provided for legislative action by each member to implement it. Article 36 of the Berne Convention, added in 1967, is almost identical with the Paris Article 17. Both Articles require each member country "to adopt, in accordance with its constitution, the measures necessary to ensure the application of this Convention"; and both Articles provide that at the time a country joins the Convention, it will "be in a position under its domestic law to give effect to the provisions of this Convention."

The Court of Appeals held that because of these provisions, our constitutional law required that the United States to adopt implementing legislation. And in these circumstances, as cited cases establish, private rights can only arise and be enforced in the United States under that legislation, not under the provisions of the Berne Convention.

Of course, the United States would be obliged to implement the Convention with the legislation required to protect the authors' rights stipulated in its text; but that obligation is solely a matter for international negotiation, and not one that private parties could litigate in our courts. (A/H Rept; 12-4)* Any complaint by another Berne nation that the United States had not made its law compatible with Berne could only be decided in the Court of International Justice [Berne: Article 33 (1)], but the United States could disavow the Court's jurisdiction in its instrument of accession, under Article 33(2). (A/H. Rept; Fwd., pp. 8-9).

The Ad Hoc Report mentions other reasons supporting its conclusion that Berne is not self-executing, and an internal Report prepared within the Copyright Office in 1981 [which "does not necessarily represent the views of the Copyright Office"] concluded

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* Ad Hoc Report, Chapter 12

> "Domestic legislation would be needed in order to implement much of Berne, and the courts would be reluctant to set aside specific requirements of the Copyright Act for the general directives of Berne. Therefore, Berne cannot be considered a self-executing treaty." ["Can the United States Ratify The Berne Convention without implementing Legislation?", p. 65]

Lingering doubts about Berne's non-self-executing status could be assuaged by a Senate statement of intent that Berne not be construed as self-executing in the United States. (A/H Rept; Ch. 12, p. 7). The Copyright Office Discussion Bill contains a proposed provision to that effect [p.10] which is acceptable to the Authors League in substance. [The Ad Hoc Group, I hasten to add, has not reviewed the Copyright Office document, and my remarks about it are not made on the Group's behalf.]

Finally, as the Copyright Office notes, even if Berne were self-executing, it could not have that effect with respect to works of U.S. origin, because of Article 5(2) of the Convention, which has a very significant bearing on the implementing legislation Congress would enact to open the door for U.S. adherence to Berne.

IV. Compatibility With Berne Is Only Required For Works of Foreign Origin

In considering changes in U.S. law to achieve compatibility with Berne under Article 36, it must remembered that compatibility only is required for "works of foreign origin." The Convention does not require that the United States grant Berne-level protection to works of which the United States is the "country of origin".

Article 5 (1) states that authors of works protected by the Convention shall enjoy in countries "other than the country of origin" the rights granted by those countries to their nationals, as well as other rights the Convention specially grants. And Article 5(3) says "Protection in the country of origin is governed by domestic law." The WIPO Guide to the Berne Convention explains:

> "5.8. This paragraph makes protection within the country of origin a matter of domestic law for that country ...
>
> 5.9. In short, the protection in the country of origin where the author is a national of that country is governed exclusively by the national legislation; the convention offers no protection whatsoever. So far as other authors are concerned, these are assured of national treatment." (pp. 32-34)

Thus, to satisfy Article 36, a given section of the U.S. Copyright Act need only be compatible with Berne to the extent it applies to a work of "foreign origin" -- e.g. a work first published in another Berne country or an unpublished work by a national of another Berne country. These and the other categories of works of foreign origin are listed in the Ad Hoc Report (Fwd., pp. 6 and 7).

On the other hand, provisions of U.S. law need not be compatible with Berne as they apply to "works of U.S. origin" -- e.g a work first published in the United States. The types of "works of U.S. origin" are listed in the Ad Hoc Report (ibid.) The Copyright Office draft Bill, for example, proposes this "two-tier" approach for amending the Notice sections of the Copyright Act (Secs. 401-403): notice would still be required for works of U.S. origin; it would not be required for works of foreign origin, defined in the Draft Bill as "Berne Convention works." (p. 17) This follows the pattern used in the 1954 Amendment to Sec. 9 of the 1909 Act, which exempted works of UCC-member authors from various provisions that continued to apply to U.S. authors.

This is not to say that the Authors League or other creators' organizations favor a general two-tier system of revision under which incompatible sections of the U.S. Act were amended to establish Berne-level protection only for works of foreign origin, retaining the present incompatible protection for works of U.S. origin. The Authors League, for example, is opposed to the Manufacturing Clause, which now applies primarily to works of U.S. origin. The League will continue to oppose the Clause, in Congress and the Courts, if it were amended to apply only to works of U.S. origin, because it would still deny authors basic constitutional rights, and would increase the danger that U.S.

authors would be replace by foreign writers so that American publishers could avoid the import ban of section 601.

But it would less than candid to ignore the fact that Congress could resolve some conflicts over Berne-adherence amendments by revising a given section of the Copyright Act to provide Berne-level protection only to works of foreign origin, while retaining the present provision for works of "U.S. origin."

The Authors League hopes to persuade Congress that various amendments should apply to works of both foreign and U.S. origin. Nevertheless, the primary purpose of U.S adherence to Berne is to bolster the protection of U.S works abroad: preserving the high-level of protection they now enjoy in some countries, and improving the low (or non-existent) level of protection they have in many other countries. It is not necessary for the United States to join Berne to secure more adequate protection of U.S. authors' rights in this country Improvements in that protection are needed, but efforts to obtain them can be made whether or not we join Berne, and before or after we do so. Too, for the reasons we noted, it is impossible to whisk those improvements into the law simply by a blanket ratification of Berne, without implementing amendments, for Berne clearly is not self-executing with respect to protection of works of U.S. origin. Creators' organizations will be considering carefully whether they want to struggle for "domestic" revisions of various Copyright Act clauses in the context of the Berne ratification effort, or in separate campaigns.

V. Moral Rights

A major obstacle to prior efforts to bring the United States into Berne has been the gratuitous terror which the Convention's "Moral Rights" article provoked in some copyright industries. That reaction no longer appears rampant, partly because it is recognized that ratification of Berne would not "self-execute" its moral rights article into U.S. law.

Article 6*bis* , paragraph (1) states that an author

> "shall have the right to claim

> authorship of the work and to object to any distortion, mutilation or other modification of, or other derogatory action in relation to, the said work, which would be prejudicial to his honor or reputation."

The Ad Hoc Report concludes that U.S. protection of moral rights is compatible with Berne:

> "Given the substantial protection now available for the real equivalent of moral rights under statutory and common law in the U.S,, the lack of uniformity in protection of other Berne nations, the absence of moral rights provisions in some of their copyright laws, and the reservation of control over remedies to each Berne country, the protection of moral rights in the United State is compatible with the Berne Convention. (6-1)

The Copyright Office commentary notes (p.16) that this view appeared acceptable to foreign copyright experts participating in a 1978 WIPO meeting which examined the 1978 Copyright Act vis-a-vis Berne. The Copyright Office "draft discussion bill" provides (p.15) for a clause "freezing" the status quo of moral rights.

On preliminary examination, the Authors League believes the clause has serious shortcomings: it might be construed to foreclose judicial decisions under current Copyright Act or other statutory provisions, or common law principles -- without regard to Berne -- that give more effective protection to the author's rights of paternity or integrity of the work than were recognized in prior decisions. This is not acceptable, and may not have been intended. Even if no specific moral rights changes are enacted as part of the Berne implementing legislation, there really is no need for a "freezing clause", and certainly not the one proposed in the "Discussion Bill". The protection of authors' moral rights has been expanding under U.S. law -- federal and state, statutory and common -- and that development should not be blocked, clouded or preempted by such an amendment to the Copyright Act.

VI. Registration

The Copyright Office Commentary (pp.20-22) concludes that no changes should be made in the Registration and Recordation provisions of the Copyright Act. The Ad Hoc Report concludes that the requirements of registration (Sec. 411) and recordation (Sec. 205(d)) as conditions for infringement suits are incompatible with Berne as applied to works of foreign origin. (9-1,2). I believe the Ad Hoc Group's conclusion is correct, but I do not comment further since the Group certainly will take account of the Copyright Office commentary (on this and other points) in preparing its final Report, which will be submitted to the Subcommittee.

I also might note that the Authors League believes that serious consideration must be given to revising the Registration and Recordation provisions for reasons unrelated to Berne Adherence, and will speak to that problem at an appropriate time.

VI. Other Provisions of the Draft Discussion Bill and Commentary

As mentioned, there has not been sufficient time to review and evaluate the Copyright Office's Discussion Bill and Commentary, and I request permission to submit a supplemental statement both on the provisions I have mentioned briefly, and others which are of great importance to author and dramatists members of the Authors League.

SUMMARY OF CONCLUSIONS OF AD HOC WORKING GROUP ON U.S. ADHERENCE TO THE BERNE COPYRIGHT CONVENTION

Compatible Provisions

The following provisions of the United States Copyright Act are compatible with the Berne Convention, with respect to works of foreign and U.S. origin.

Chapter 1 CABLE COMPULSORY LICENSE

The cable compulsory license provision (17 U.S.C. Sec. 111) is compatible with Berne. Article 11*bis*(2) allows the right of retransmission of a broadcast to be exercised by compulsory licensing under conditions which are met in Sec. 111.

Chapter 2 EXEMPTIONS TO PUBLIC PERFORMANCE AND DISPLAY RIGHTS

Sec. 110 exemptions to the right of public display are compatible with Berne, since the Convention does not stipulate that right.

Sec. 110 exemptions to the public performance rights are substantially compatible with Berne under Article 10(2), or the "minor reservations" understanding.

Chapter 5 THE MECHANICAL LICENSE

The mechanical license for making and distributing phonograph records, Sec. 111, is compatible with Berne, under its Article 13(1).

Chapter 6 MORAL RIGHTS

The protection for moral rights under U.S law is compatible with Berne's Article 6bis, considering: the remedies now available here, the lack of uniformity of protection in other Berne countries, absence of moral rights provisions from some national laws, and reservation of control over remedies to each member country.

Chapter 8 PUBLIC BROADCASTING COMPULSORY LICENSE

The Sec. 118 public broadcasting compulsory license for performances is compatible with Berne under its Article 11bis (2) which allows compulsory licensing under conditions that are met in Sec.118.

It is unclear whether the Sec. 118 compulsory license for reproduction of musical and graphic works for the broadcast programs involved is compatible with Berne. It might be argued that it is compatible with the spirit and letter of the "special cases" exception of Article 9(2).

Chapter 9 DEPOSITS

The deposit provisions of Sections 407 and 408 are compatible with Berne since they are not conditions of copyright protection.

Chapter 9 Registration

Sec. 408 is compatible with Berne since its permissive registration requirements are not a condition of copyright, and therefore do not conflict with Article 5(2).

Sec. 412 is compatible with Berne since it makes registration a condition for obtaining certain remedies, not a condition for all protection of the work.

N.B. See Chapter 9 commentary under "Incompatible Provisions", below.

Chapter 12 IS BERNE A SELF-EXECUTING TREATY

Berne is a self-executing treaty under U.S. constitutional law and therefore implementing legislation by Congress is required to give effect to the provisions of the convention. This is compatible with Article 36.

Chapter 13 SUBJECT MATTER

The provisions of Secs. 101 and 102 concerning protected subject matter are compatible with Berne's Articles 1, 2 and 7(4), with the exceptions of buildings and other works of architecture: and the possible exceptions of mask works for semiconductor chips and works of applied art whose artistic features and utilitarian aspects of a useful article are not separate and independent.

Chapter 14 WORKS MADE FOR HIRE

The work-made-for hire provisions of Secs. 101 and 201(b) are compatible with Berne, which does not define an "author" or stipulate that the person who actually created a work must be deemed its author, but rather leaves the matter to national legislation. The U.S term of copyright for works made for hire does not always fit neatly within the Berne standards; but the Convention seems intended to give member countries considerable discretion in dealing with such works.

Incompatible Provisions

The following sections of the U.S. Copyright Act are incompatible with Berne as applied to works of foreign origin. Because of Article 5(1) & (3) of Berne, the sections are not incompatible as applied to works of U.S. origin.

Chapter 3 JUKE BOX LICENSE

. The jukebox license granted by Section 116 is not compatible with Berne as to works of foreign origin because of the exclusive performance right in musical works granted in Article 11(1)

Chapter 4 THE MANUFACTURING CLAUSE

The manufacturing clause provisions of Secs. 601-603 are not compatible with Berne because of Article 5(2) which provides that the enjoyment and exercise of rights in a work "shall not be subject to any formality."

Chapter 7 NOTICE

Sec. 401, requiring a notice of copyright in published works is incompatible with Berne since it conditions the preservation of copyright on the formality of notice, in contradiction of Article 5(2).

Chapter 9 REGISTRATION

Sec. 405(a), requiring registration to cure omission of notice, is incompatible with Berne under Article 5(2) which prohibits enjoyment of rights from being subject to any formality.

It is unclear whether Sec. 405(b), which governs relief against innocent infringers, is compatible with Berne. (ibid.)

Sec. 411 is incompatible with Berne since it requires registration as a condition to instituting an action for infringement.

N.B. See Chapter 4 commentary under "Compatible provisions", above.

Chapter 10 RENEWAL AND DURATION

Sec. 304(a)'s renewal registration provisions are incompatible with Berne because: (i) the requirement of a renewal is a formality prohibited by Article 5(2) and (ii) because the term of renewal copyright is shorter than the life plus fifty year term required by Article 7(1).

Sec. 303(c)'s provisions for duration of copyrights in anonymous or psuedonymous works are incompatible with Berne as to such of those works that are published more than 50 years after creation, because Article 7(3) provides for a term of protection continuing for fifty years after the work is made publicly available.

6.12.86

ANSWERS BY IRWIN KARP TO QUESTIONS ASKED BY SENATOR MATHIAS ABOUT THE BERNE CONVENTION

1. "How is our law compatible with Berne, e.g. in the areas of term of protection, exclusive rights and fair use?"

Term of Protection The term of protection granted by Sec. 302 (a) & (b) ["life-plus-50 years"] is compatible with Article 7(1) of Berne. (Berne references are to the Paris Act of 1971). The term of protection for anonymous and pseudonymous works granted by Sec. 302 is not compatible with Berne for the reasons stated in Chapter 10 of the Preliminary Report of the Ad Hoc Working Group on U.S. Adherence to the Berne Convention ("Ad Hoc Report"). The term of protection granted by Sec. 302(c) for works made for hire may be compatible with Berne; see Chapter XIV, Ad Hoc Report.

Exclusive Rights The exclusive rights granted by Sec. 106 are compatible with those granted by Articles 8 and 11-14bis of Berne.

Fair Use Section 107 is compatible with Articles 10, and 10bis of Berne. See Chapter 2 of Ad Hoc Report.

1a. "Would our copyright principles be in general accord with Berne?"

Yes.

2. (Summary of Question) Should Congress (i) adopt two-tiered system "by making incompatible provisions of U.S. law "inapplicable to works of nationals of Berne Countries or first published in those countries"; or (ii) Should Congress "maintain a uniform system, and simply amend incompatible provisions of the (U.S.) copyright law for everyone?"

Congress should maintain a uniform. system. Incompatible provisions of U.S. law should be amended to make them compatible with Berne for all works by U.S. as well as Berne nationals, regardless of the place of first publication. Candidly, the only reason for a two-tier approach on a given provision is to avoid a political conflict that might torpedo the legislation to implement U.S. adherence to Berne. The only issue where that expediency might be required is the jukebox license; the proprietors have political clout. There is no reason to compromise on such fundamental subjects as formalities because the only opponent of a "uniform system" is the Copyright Office. It does not, and should not, have political power to oppose a uniform-system approach and its rationale for opposition is without merit.

3. (Summary of question) Should formalities be maintained?

Article 5(2) of Berne provides that the enjoyment and exercise of rights guaranteed to authors by Berne "shall not be subject to any formality" such as notice of copyright or registration. While Article 5 allows the U.S. to apply a two-tier system to formalities, the Authors League believes that this is unwarranted and unfair, and incompatible with the spirit of Berne -- and also a poor example for those pirate-host nations we are trying to cajole into adopting civilized copyright laws.

Notice is a trap for authors and publishers. Often, through mistake or unfamiliarity with the Act, copyright has been lost by failure to include a notice or a correct notice, and that can happen under the present law (Sec. 401) despite Sec. 405. We have no objection to reasonable non-copyright incentives for registration so long as they do not place economic or legal inhibitions on individual authors' ability to retain and enforce their rights under Title 17.

4. (Summary of Question) If the U.S. adheres to Berne must it "must it take works out of the public domain and give them protection retroactively?"

I do not believe that Berne adherence would require the U.S. to retroactively restore copyright protection to works that are in the public domain here. Under Article 18(2), the U.S. need not grant protection to any work that already has fallen into its public domain "through expiry of the term of protection which was previously granted." Article 18 (3) provides that the U.S., as the country in which protection is claimed "shall determine ... the conditions of application of this principle." And Article 18(4) makes (3) applicable to "new accessions" to Berne. I believe these sections give the U.S. the right not to restore to copyright any work that fell into the public domain because: its renewal copyright term had expired; its original 28 year term expired and was not renewed; its term of common law protection expired (prior to 1978) without securing a statutory copyright. These are the only reasons, I believe, that a work entitled to Berne protection would be in the public domain here.

5. (Summary of Question) "Would (U.S.) adherence to Berne pose any problems for the Library (of Congress) in maintaining and expanding the world's greatest collection?"

I do not believe Berne adherence would prevent the Library from continuing to acquire books by mandatory deposit under Sec. 407 -- which is not a condition for securing or enforcing copyright. Moreover, the enforcement of Sec. 407 could be greatly improved and made less expensive by writing into the law a "small-claims court" procedure for recovering fines, and the costs of purchasing books that are not deposited after notice, perhaps coupled with a "treble-damage + specified costs/attorney's fees" formula. If the Committee is interested in this approach, I can provide further detail.

I do not believe that it is necessary to maintain compulsory registration under Secs. 408, 411 and 412 as a means of coercing deposits. This is a case of burning down the barn to roast the pig. The registration system, which this country alone compels, is very costly. A fraction of the cost saved by ending compulsory registration, could buy two copies of all the books that are not deposited now under Sec. 407 or the even lesser number that would have to be purchased if Sec. 407 were strengthened and made more cost-effective.

6. (Summary of Question) Is repeal of the jubkebox clause for works of foreign (Berne country) origin the only way to deal with its incompatibility with Berne?

I defer on this question to those more familiar with the tribal customs of licensing performance rights to this "peculiar institution."

7. (Summary of Question) "Which option would you prefer" for dealing with registration?"

As the Ad Hoc Report concludes, compulsory registration as a condition for suit or curing omission of notice is incompatible with Berne when applied to works of foreign origin (See: WIPO Guide, p. 33). The Copyright Office conclusion to the contrary is legally unsound, and is merely the fulfillment of a wish to maintain the registration system to serve the interests of the Office and to compel deposit of copies for the Library of Congress.

I believe registration should be maintained as a truly voluntary procedure. The benefits a registrant would derive should include: prima facie effect of the certificate (Sec. 410 (c)); constructive notice of a recorded transfer or other document pertaining to the work (Sec. 205(c)); and priority of recorded transfers (Secs. 205 (e) & (f). All of these are significant incentives for registration, without impeding or inhibiting the right of individual authors to enforce their copyrights. Registration should not be retained as a condition for remedies. That has proven grossly unfair to individual authors, particular those of works that are culturally but not commercially valuable, and authors who create many short works in any year. Moreover, retaining registration as a condition for such remedies as statutory damages or attorney's fees is a tempting example to pirate-host countries who wish to convert to Berne without really allowing U.S. or other copyright owners to effectively enforce their rights against piratical enterprises within their borders. The Taiwan or Singapore copyright law could use our Sec. 412 as a model for developing all sorts of variations on the unfair theme that registration can be imposed as a condition for remedies, and by use of impossible time limits and other devices, could frustrate our efforts to prevent pilferage of billions of dollars of U.S. copyrighted works -- without keeping those nations out of Berne.

Registration is a trap and a burden for individual authors; and freedom from the obstacle of registration is one of the basic tenets of Berne -- and every other copyright system in the civilized world. The most pragmatic proof that registration is unnecessary is its absence from the copyright statutes of other copyright countries. Their publishing, producing and other copyright industries, and their library and educational systems, are as sophisticated, complex and active as ours -- and have proven over the last century that they can function without the expensive and unfair device of copyright-related registration.

8. (Summary of question) If the requirement of copyright notice is eliminated, "how might the present benefits of notice be retained?"

The question is based on the erroneous assumption that copyright notice provides benefits to users of copyrighted works. The preamble to the question says that the "notice provision has facilitated the resolution of conflicting transfers, the reversion of rights after termination, and the acquisition of permission to use a work."

This is simply not the case. Notices of copyright cannot resolve true conflicts over conflicting transfers. The only statutory devices that help serve that purpose are the "priority" clause of Sec. 205(e) and the threshold "statute of frauds" provision of Sec. 204. Notice does not facilitate the reversion of rights after termination, nor does it help much in acquiring rights. Remember that a notice does not contain the name of the owner(s) of various rights in a work; it usually contains the name of the owner of copyright. Thus thousands of works by individual authors carry copyright notices containing their names, although various of the rights in those works may be owned by different publishers, film companies, etc. No commerical user with any copyright-common sense would rely on a copyright notice to determine ownership of rights it contemplated buying, licensing or otherwise acquiring. There are several reasons why the notice cannot be used as that touchstone, including the fact that in major copyright industries basic rights are acquired in unpublished works that are not required to contain a notice.

Again, the theoretical arguments for retaining notice collide with reality of commerical and non-profit activities in the rest of the copyright universe -- which are conducted without any notice at all. If Congress feels the need to find a substitute for notice, it already exists in Berne: the requirement that a published work contain the name of its author (Article 6bis (1)) and the requirement that in order for the author to be entitled to sue for infringement "it shall be sufficient for his name to appear on the work in the usual manner." (Article 15(1).

9. "What changes do you recommend in order to make our durational provision on pseudonymous works Berne compatible?"

The changes implicit in the analysis at pp. 4-6 of Chapter 10 of the Ad Hoc Report.

10. (Summary of Question) Is there "a serious conflict between U.S work-made-for-provisions "and Berne obligations."

As Chapter XIV of the Ad Hoc Report points out, the work made for hire provisions of Sec. 101 and 101(b) are not incompatible with Berne.

11. Questions about differences between copyright laws in Berne and UCC developing countries; how Berne has fared in the Third World; has UCC been widely accepted.

The names of developing/Third World members of UCC and Berne are listed in Vol. 4 of Nimmer, and other sources. Other than that, I have no information that is responsive to the questions.

12. (Summary of Question) Should the Implementing Legislation contain a clause "freezing" moral rights?

The Ad Hoc Group did not take a position on the Copyright Office's suggested clause to "freeze" moral rights. I did, on behalf of the Authors League. Since our law is compatible with Berne on moral rights (Article 6bis), according to chapter VI of the AD Hoc Report, there is no need for a provision on moral rights in the implementing legislation. As I pointed out in my April 15th testimony, the serious flaw in the Copyright Office "freeze clause" is that it might be construed to foreclose judicial decisions under the current Copyright Act or other statutes, or future statutes, or common law (that did not implicate Berne) that gave more effective protection to the author's moral rights of paternity and integrity. There is no need for a freezing clause -- Berne is not self executing, so its moral rights provisions cannot be written into our law by U.S. adherence to Berne. But the implementing legislation should not contain a clause which, as the Copyright Office freeze clause does, might be applied to prevent the expansion of our domestic protection of moral rights - under federal or state statutes or common law, present or future. The freeze clause is unnecessary and can only cause mischief, confusion and serious harm to authors.

13. (Summary of Question) What are "the positive benefits of Berne on the domestic copyright scene?"

If Congress adopts the two-tier system, there will not be any positive benefits on the domestic copyright scene. If it adopts a uniform system, making our law Berne-compatible for works of U.S. as well as foreign origin, the primary domestic benefit would be the elimination of formalities and the manufacturing clause (if it had not already expired on July 1, 1986).

6.12.86

ANSWERS BY IRWIN KARP TO QUESTIONS ASKED BY
SENATOR SPECTOR ABOUT THE BERNE CONVENTION

1. Re: The Jukebox compulsory license (17 U.S.C. Sec. 116)

The Ad Hoc Working Group on U.S. Adherence to the Berne Convention concluded, in chapter III of its preliminary report, that the jukebox compulsory license of Sec. 116 is incompatible with the Berne Convention. Senator Spector asks me, as Chairman of the Group,

"(a) What proposal(s) do you advocate to bring the United States into compliance (with Berne) in this area?"

I cannot answer the question as chairman of, or on behalf of, the AD Hoc Group, since it decided its function was limited to identifying and analyzing incompatibilities -- and that it would not make recommendations as to legislative changes to remove those incompatibilities.

Speaking only for myself, I would advocate eliminating the incompatibility of Sec. 116 by repealing it. If that cannot be done, I recommend a negotiated license system, with disputes resolved by the Copyright Royalty Tribunal or by the District Court under authority (established by statute) similar to that now exercised by the Court under the ASCAP consent decree.

"(b) If you advocate a negotiated license scheme, do you believe that the requirements should differ for works U.S. origin?"

Speaking only for myself, I believe the requirements should not differ for works of U.S. origin -- although Berne allows a two-tier system (Article 5). I think uniform treatment would be fairer to U.S. authors. Moreover, a uniform system would be simpler for jukebox owners to deal with; and with recourse to an arbiter -- either the CRT or District Court -- there would not be any need for a two-tier approach.

2. "Would it be necessary to revise the present arrangements for the three other compulsory licenses granted under the U.S. Copyright Law?"

The Ad Hoc Report concludes it would not be necessary to revise the compulsory cable license, the mechanical license (for phonograph records), and the public broadcasting license because these provisions of our copyright law are compatible with Berne; see chapters I, V and VIII.

Senator **Mathias**. Thank you very much for being so disciplined with regard to the time limit.

Mr. **Karp**. I planned this; yes. [Laughter.]

Senator **Mathias**. Professor Kernochan, go right ahead.

STATEMENT OF JOHN M. KERNOCHAN

Professor **Kernochan**. Thank you, Mr. Chairman, for inviting me to participate in this hearing. I am Professor Kernochan. I represent a very, very private sector; that is to say, my own views as a teacher of copyright law.

I strongly support U.S. adherence to the Berne Convention and the adoption of legislative provisions needed to bring that about. My reasons are much those cited before. It seems to me important that we achieve a voice in the development of the first and most important international multilateral copyright treaty; that we avert the kind of retaliation that Mr. Karp referred to by taking Berne's benefits without its burdens.

It is important that we open and extend copyright relations with countries that we now do not have treaty relations with by virtue of the UCC.

Finally, could it be that we might profit from interchange with and by the experience and example of other developed countries who have evolved the Berne Convention over the years?

Our joining might constitute an appropriate 100-year celebration for the architects of Berne. I had been going to say something more based on my printed statement, but it seems to me that the ballgame has changed now that we have a Copyright Office bill, or the drafts of some sections for one, before us, and I would like to say something about that because it seems to me that now there is no longer room for mere academic comment.

I think we need a set of firm priorities to deal with the clearly unavoidably incompatible issues in relation to Berne, mostly identified for us very well by the ad hoc committee. Second, I think we should deal with those few incompatibility questions in a way that will keep the legislative process focused as sharply and narrowly as possible on doing what is essential to join Berne and avoid any temptation to be drawn into airing or trying to remedy our discontents with U.S. copyright law or inviting others to do the same.

Ambrose Bierce said of litigation that you go in a pig and come out a sausage, and I am worried about putting anything into the legislation process leading to an open field for criticism of U.S. copyright law. I think our eyes should be firmly fixed on Berne and making ourselves compatible enough to join.

Third, I would think we should temper our solutions to maximize the chance of adherence. Once in Berne, then we can and should start the process of reexamining and rethinking the flaws in our own statute and mobilizing the forces necessary to do that right.

I think that the draft, or substantial parts of it that I have seen, seemed to move commendably down the route I am urging. I have some specific comments, but it seems to me that at some later point those will become more appropriate.

[Professor Kernochan's submissions for the record follow:[1]]

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[1] The prepared statement, filed before the hearing, largely duplicates earlier comments addressed to the Preliminary Report of the Ad Hoc committee on U.S. Adherence to Berne and was written before receipt of the proposed drafts of legislation prepared by the Copyright Office. Prepared comments addressed to the drafts, and thus more pertinent to the issues now before the committee, will be filed before May 15.

MEMORANDUM

To: Senate Subcommittee on Patents, Copyrights and Trademarks of the Senate Committee on the Judiciary

Subject: One-page Summary of Written Statement Regarding U.S. Adherence to the Berne Convention (Dated April 11, 1986)

From: John M. Kernochan, Nash Professor of Law, Columbia University School of Law, New York City, NY

Date: April 11, 1986

I am strongly in favor of U.S. adherence to the Berne Convention as an aid to the United States in valuable international dealings in intellectual property with nations party to the Universal Copyright Convention (UCC) and a number of nations party to Berne but not to the UCC. Adherence could strengthen our voice in the international development of authors' rights. It could avert the risks of exclusion or retaliatory action stemming from our manufacturing clause and from our "backdoor" use of Berne advantages without assumption of its obligations. Adherence to Berne mainly implicates the adequacy of our provisions for protection of non-U.S. authors protected by Berne, but interchange with Berne countries could also assist us to improve our own protections for authors. I confess, however, to a worry about possible dilution of existing U.S. authors' rights in another wide-open struggle of competing pressure groups in Congress if our law is revised.

Aside from some minor queries on compatibility, my main comments concern droit moral, works for hire, and formalities. While there are signs of emerging legislative, judicial and scholarly consciousness of "droits moraux" in the U.S., our law does not substantially protect, and has really not faced up to, the basic interests and concepts articulated in Berne Article 6bis. I agree we can perhaps "squeak by" on compatibility in the droit moral area, leaning on the failures of certain Berne countries (e.g., U.K. and Australia); but I hope we would feel obligated to do more. It is hard to see why the "paternity" right would be controversial in the U.S. As to the "integrity right", somewhat inchoate even in the Berne countries that apply it, we may again be able to "squeak by" though one would hope for more development in the U.S. As to the droit moral "right of disclosure", especially in relation to U.S. treatment of unpublished works, I believe U.S. law is incompatible with the UCC and, arguably, with Berne. Reform on this matter is needed with or without Berne. U.S. work-for-hire law may be barely compatible with Berne, but expanded application of this arrangement and its overuse are arguably antithetical to droit moral concepts and even to our own Constitutional aims. Rethinking is needed regarding our own law in any case.

MEMORANDUM

To: Senate Subcommittee on Patents, Copyrights and Trademarks (Senator Charles Mathias, Chairman) of the Senate Committee on the Judiciary (Senator Strom Thurmond, Chairman)

Subject: Statement Regarding U.S. Adherence to the Berne Convention

From: John M. Kernochan, Nash Professor of Law, Columbia University School of Law, New York City, NY

Date: April 11, 1986

Thank you for inviting me to submit comments on U.S. Adherence to the International Union for the Protection of Literary and Artistic Works, known as the Berne Convention, in preparation for the Subcommittee hearings scheduled for April 15, 1986.

Given the short time available to me, I believe the best course is for me to transmit to you, for your consideration, in large part the same statement I have just submitted on the Report of the Ad Hoc Working Group on U.S. Adherence to the Berne Convention (chaired by Irwin Karp, Esq.) -- a report sponsored by the State Department's Office of Business Practices under Mr. Harvey Winter. Following is a revised text of the statement with a few additions regarding Moral Rights.

I am strongly in favor of U.S. adherence to Berne, subject to some doubts about feasibility. Adherence could be of great help to our own increasing, and increasingly valuable, international dealing in "authors' rights" material -- whether as exporters or importers. It could, inter alia, improve our international relations with Berne countries, including nations we do not reach with Universal Copyright Convention (UCC) relations. It could alleviate some of the strains consequent on our (let us hope temporary) estrangement from UNESCO. It could strengthen our voice in international intellectual property developments, and allay natural resentments occasioned by our use of "back-door" Berne benefits without assuming the responsibilities and commitment Berne membership would fairly seem to call for. Also important in my view is the pressure Berne adherence should put on us to raise the level of U.S. "consciousness" about authors' needs and the level of protection we accord our own authors -- a level that lags behind much of the developed world. Without such a raising, other Berne countries might see our adherence as threatening their own hard-won Berne gains for authors. At the same time, I recognize only too well some of the thorny problems of U.S. law revision that Berne adherence and other reforms of the U.S. Copyright Law may entail.

The Copyright Revision Act of 1976 is, in a number of respects, inadequate to today's needs and requires a thorough revision in non-Berne respects as well as in ways to accommodate Berne. I recall vividly, however, the two decades or so of struggle to get the Act of 1976 adopted. And I do not think we should undertake the new revision effort required for Berne adherence unless the entire arts community and its supporters are well organized and led to represent their interests effectively in Congress. Without such organization and leadership, and perhaps in spite of it, we could subject valuable provisions in the 1976 Act to risks of dilution or loss in the wide-open power-struggles of the Congressional process.

With this disclosure of my biases as preface, I must also make plain at the outset that I have not had time to pursue all the tributaries of law that the Ad Hoc Committee has well addressed and therefore only comment (a) on a few of the areas addressed by the Committee and (b) on one area -- that of unpublished works -- which the Committee does not squarely deal with. See my comment (3) on Chapter VI, Moral Rights, infra.

Chapter I - Cable Compulsory License

Is it as certain as the author of this Chapter of the Ad Hoc Committee's Report seems to assume that moral rights may not be jeopardized in cable retransmissions? See, e.g., the § 111(c)(3) exception as it relates to alteration, deletion or substitution of commercial advertisements.

Chapter II - Exemptions to the Rights of Public Performance and Display

I agree with the Ad Hoc Committee's Report as to compatibility here, but see my later comments (under Chapter VI, Moral Rights) on unpublished works. As to § 110(2) of the 1976 Act, it would not seem that adding a credit requirement to the user's obligations in order to comply with Berne Article 10(3) would arouse serious controversy.

Chapter VI - Moral Rights

Professor Edward Damich of the George Mason University School of Law has submitted a statement to the Ad Hoc Committee on U.S. Adherence to the Berne Convention, commenting on that Committee's discussion of Moral Rights. Much of what he says seems apt. He -- in my view -- correctly observes that it is more the "lack of effective compliance" by certain Berne countries, such as the U.K. and Australia, than genuine U.S. protection of moral rights as such that lends plausibility to the argument that Article 6bis of Berne is not an obstacle to U.S. adherence to Berne. But it appears that the U.K., and perhaps Australia, at least, seem now to be weighing whether new protections are not needed to meet Berne droit moral standards.

Regarding the so-called "right of paternity" (the right to be named as author), the evidence for protection for this right in U.S. state law is skimpy in the cases and the statutes are few in number -- existing only in four of 50 states -- and there are damaging negative caselaw statements or rulings, as in the well-known case of Vargas v. Esquire, Inc., 164 F.2d 522 (7th Cir. 1947), and more recently in Suid v. Newsweek Magazine, 211 U.S.P.Q. 898 (D.D.C. 1980) where the court had this to say:

> ". . . plaintiff alleges that Newsweek copied from his book without giving him proper attribution and that failure to do so damaged him monetarily. Plaintiff says that failure to attribute constitutes an additional element, separate from the act of reproduction and outside the general scope of copyright, and therefore there is no preemption. See 1 Nimmer on Copyright § 1.01(B) at 1-11. This argument must fail because plaintiff does not cite, and this court has been unable to locate, any case recognizing a

> common-law action for failure to attribute or misappropriation without attribution. Certainly a non-existent doctrine cannot supply the additional element needed to save a common-law action from preemption."

I do believe the Lanham Act § 43(a), e.g., as applied in Smith v. Montoro, 648 F.2d 602 (9th Cir. 1981), may fairly be regarded as a significant possible source of protection for failure to give proper authorship credit though we are really only at the foothills of any such legal development. If some signs of greater judicial awareness of the author's interest in, or right to, authorship credit after transfer of the copyright may now be discerned, real protection is more a potentiality than an actuality. It does seem to this observer that recognition of the paternity right in U.S. law could commonly be accorded without serious damage to vested interests.

As to the "right of integrity", Gilliam v. American Broadcasting Companies, Inc., 538 F.2d 14 (2d Cir. 1976), does seem to represent a landmark, a "glimmer" of recognition that there may be an author's interest in integrity deserving of legal protection, with the Lanham Act § 43(a) playing a significant part in support of this attitude. Defamation law may, of course, be an aid in some cases. With these we may indeed "squeak by" for purposes of Berne compatibility. Both § 43(a) and defamation have significant limitations in this setting, however, and here and elsewhere, we are lacking in protection of the droit moral interests as such. We have not as yet really faced up in any significant measure (in the Copyright Act or elsewhere) to the theoretical basis on which the Article 6bis rights rest -- i.e., a continuing nexus between the author and his work even after transfer of rights in it to others. The theories we have invoked -- such as unfair competition, damage to reputation, etc. -- do not genuinely reflect the basic concepts of droit moral in Article 6bis. At the same time, the "right of integrity" cannot, however, even in France (its place of origin) be said to rest on a thoroughly worked out structure of laws and decisions. Much is still inchoate. And there is some room for hope that joining Berne might prod us to deal with droit moral's basic notions and participate in their development more forthrightly. Our four state statutes (mainly affecting visual art and possibly "preempted" by the U.S. Copyright Law), plus a few cases, provide some indication of an awakening consciousness in this area and perhaps our national legislature might take these as signs that there is popular support for national provisions on the subject. In reading the Ad Hoc Committee's Report on this and other subjects, however, one is led to wonder whether compatibility in the sense of "squeaking by" is a good enough goal.

I add here only a few more brief observations:

(1) To the Report's list of U.S. statutory provisions tending toward moral rights protection, one might perhaps add § 110(4) which permits a copyright owner to object to certain performances of a nondramatic literary or musical work (except that no provision is made for any notice to the owner that the performance is to take place). But this provision really adds very, very little, indeed, of protective substance to the already very little provided by the "derivative works" clause (§ 106(2)) and to § 115(2). It refers to the copyright owner, like the other provisions cited, and not to the actual author who is the intended beneficiary of Berne Article 6bis moral rights even after transfer of the so-called economic right to another. A much more substantial recognition of a droit moral-type of protection

(closer to the "right to withdraw" than to "paternity" or "integrity") special to U.S. law is arguably found in the termination right accorded by § 203 and § 304 of the 1976 Copyright Act.

(2) Notice should be taken of the undermining effect on moral rights of the widespread use of work-for-hire arrangements by exploiters of authors' works. Recent judicial decisions[1] seem to have broadened the statutory definition of works-for-hire in a way I believe both undesirable and unintended by the enactors, with the result that still more works will be swept into this class and the rights of actual creators still further constricted. The work-for-hire concept is generally antithetical to the droit moral view of art-works as linked to the personalities of the individuals who in fact create them. Under our broad work-for-hire concept, the creator-in-fact will often be deprived of authorship status and of all rights in the work -- whether they be moral rights of disclosure, paternity, integrity or termination, or economic rights.

(3) One of the traditional components of the droit moral, the "droit de divulgation" (right to disclose) is, I think, discussed too superficially and dismissed too quickly in the Ad Hoc Committee's Report -- mainly because this right, curiously, is not expressly referred to in Article 6*bis* of the Berne Convention. But the "right of disclosure" is arguably recognized at least by negative implication in Berne Article 10 *et seq*. Article 10, for example, enumerates limited "fair uses" applicable to published works and, as the Masouyé Guide's comments make plain at 10.3 *et seq*., "Unpublished manuscripts or even works printed for a private circle may not, it is felt, be freely quoted from; the quotation may only be made from a work intended for the public in general." The same statement is applied to other uses -- teaching, newspapers, broadcasts, etc. If I am right in my view that some "right of disclosure" was assumed in Berne -- and I do not deny the matter is subject to debate -- then U.S. law, in applying fair use across the board (§107) both to published and unpublished works (subject to *Harper & Row Publishers, Inc. v. Nation Enterprises*, ___ U.S. ___, 105 S. Ct. 2218 (1985) and comments therein), is probably incompatible with Berne. It is certainly inconsistent with the law in other countries of the world -- including France -- which have been leaders in developing Berne and authors' rights. Apart from fair use, mention should be made also of other provisions in Chapter I of the present U.S. law. These include §108, §109, §110 and later sections which purport to allow, or exempt from infringement, acts in relation to unpublished works that seem wholly inconsistent with assuring a true right of disclosure or publication in the author and with the sentiments expressed in 10.3 of the Masouyé Guide. I should note here, parenthetically, that the provisions on registration and deposit of unpublished works in Chapter IV of the 1976 Act seem to me starkly incompatible with the Universal Copyright Convention[2] to which we do adhere, as well as troublesome in relation to the Berne provisions on formalities which are discussed in Chapters VII and IX

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[1] See, *e.g.*, *Aldon Accessories Ltd. v. Spiegel, Inc.*, 738 F.2d 548 (2d Cir. 1984), and *Peregrine v. Lauren Corp.*, 601 F. Supp. 828 (D. Colo. 1985).

[2] Article III, §4 of the Universal Copyright Convention requires that member countries provide "legal means of protecting without formalities the unpublished works of nationals of other contracting states." Is it believable that the Berne Convention intended less protection?

of the Ad Hoc Committee's Report and referred to in my comments on those Chapters below.

Chapters VII and IX -- Notice, Registration, Recordation & Deposit

I agree with the Ad Hoc Committee's conclusions about the incompatibility with Berne of U.S. notice and other formalities. It may not be amiss to add that an effort to meet the standards needed for adherence to Berne could provide a welcome opportunity to rid U.S. law of various burdensome formalities retained, and even augmented in some respects, in the U.S. Copyright Revision Act of 1976.

As a first priority dictated by Berne, non-compliance with U.S. formalities in connection with a copyright should not affect the validity or enforceability of the copyright concerned. The present sanction of forfeiture, in particular, is barbaric in its impact (*i.e.*, it may wipe out the entire value of years of creative effort) whether applied to U.S. or foreign works; it is disproportionate to any ends served and should be done away with. Non-voluntary registration and deposit for unpublished works as a condition of suit should be discontinued. Required public deposit of "private" unpublished works seems entirely inappropriate under Berne Article 10, as well as under UCC Article III, § 4, and also as a matter of public policy.

A reduction of formalities discussed above should permit the reduction of Copyright Office staff and workload and thus allow major cost-cutting. This could avert mischievous proposals to raise copyright fees and thus foist on U.S. and/or other authors the expense of an out-of-step system.

Chapter XIII Subject Matter

I agree with the Ad Hoc Committee's Report that study of what is actually done in the Berne countries to protect architecture and applied art might clarify our own possible obligations in case we sought to adhere. It is possible that the U.S. could protect architecture without internal convulsions and that special provisions for limited protection for applied art could be used to rid our own Copyright Act of categories of works which do not seem to merit life plus 50 years of protection -- *e.g.*, reproductions of works of art. See also some of the works listed in Douglas, J's dissent in *Mazer v. Stein*, 347 U.S. 201, at 221 (1954).

Chapter XIV -- Works Made for Hire

Footnote 3 on page 7 of the Report's Chapter XIV raises, in my view, a larger question of compatibility than its footnote status might suggest. I mentioned earlier[3] my view that the broad application of work-for-hire status that flows from present U.S. statutory provisions on this subject, and from recent interpretations of those provisions, is in a significant degree at odds with the concept of droit moral in Article *6bis* of Berne and even with the notion of economic rights of actual authors. It may *be* that the

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[3] See comment (2) on Chapter VI, *supra*.

Report's finding of compatibility with Berne here is a possible conclusion, and consistent with the law of some Berne countries. The latest WIPO legislative proposals on this subject could support this. But it seems to me that taking authorship of a work too readily from its creator-in-fact will often run counter to the personal link between the individual creator and the created work which underlies the droit moral notions of disclosure, credit and integrity, to say nothing of countering the U.S.'s own historic objectives and policies of promoting science and the useful arts through rewards to actual creators, as articulated in the Constitution. Please note that I am not saying work-for-hire status is not proper in a number of situations. There are hard questions of appropriateness and degree here.

While the immediate question before us is compatibility with Berne, I think the answer on works for hire should perhaps not be an unqualified "yes." Rather it should be "maybe" or "yes, but." If we proceed toward adherence, provision should be made for a major study aimed at finding compromises on this subject that mediate fairly, in varying commercial contexts, between the reasonable needs and demands of employers and those of creative authors whose moral and economic rights under Berne (and other laws) to authorship status, to credit, to integrity, and to due compensation are at stake. The U.S. work-for-hire rules arguably push our authors too far toward patronage, subsidy and part- or full-time employment by others, and too far from the notion of the free individual author in a free society enabled by authors' rights laws -- moral (Article 6*bis*) and economic -- to control, and to live by, his art.

May 15, 1986

MEMORANDUM

TO: Senate Judiciary Subcommittee on Patents, Copyrights & Trademarks (Senator Charles McC. Mathias, Jr., Chairman)

SUBJECT: Comments on Discussion Bill and Commentary Prepared for the April 15 Subcommittee Meeting as a Proposed Draft of Implementing Legislation to Permit U.S. Adherence to Berne

FROM: John M. Kernochan, Nash Professor of Law, Columbia University School of Law

The purpose of this memorandum is to comment on the Copyright Office's thoughtful and workmanlike preliminary draft of legislative provisions (distributed shortly before the April 15 Senate Subcommittee hearings) designed to revise U.S. Copyright Law so as to make possible U.S. adherence to the Berne Convention.

The comments that follow differ in content and approach, and sometimes in conclusions, from those I submitted to the Ad Hoc Working Group on Adherence to Berne on March 31, 1986 and (in slightly revised form) to the Senate Subcommittee on April 11, 1986 before its April 15 hearings.

The differences are due to the fact that we are now considering not what revisions of U.S. law would be ideally desirable and appropriate to conform our law to the highest aims of Berne. Rather, we must consider now (1) what legislative revisions are absolutely essential to attain a compatibility with Berne acceptable to the other signatories and to WIPO and (2) legislative action via a bill or bills shaped as far as may be to pass through difficult Congressional processes with maximum ease and with the least danger to rights that authors now possess under existing U.S. law. Adopting such legislation is not a substitute for later attention to the thorough overhaul of our copyright law essential to cope with the new technological era and to strengthen authors' rights for the years ahead.

In the context of the enactment problems immediately before us, I note that the Copyright Office has proposed minimal amendments to U.S. law -- *i.e.*, only where change is clearly required for Berne compatibility. This is surely wise if the revision bill is to be kept as focused and concentrated as I believe it must be to minimize risks of non-germane, perhaps harmful, amendments.

Elsewhere I have indicated my strong support for U.S. adherence to Berne and the reasons therefor. See my testimony of April 15 before the Subcommittee as well as my prepared statement for that occasion for the Ad Hoc Working Group, cited above. I reemphasize here my view that achieving Berne adherence overrides in importance some of the detailed critical comments contained in my earlier submissions..

Finally, I would state by way of preface that a two-tier system for achieving Berne compatibility -- i.e., high protections for Berne works and lower ones for U.S. national works -- seems to me generally undesirable, except in a few instances, as the result is to discriminate unjustly in favor of foreign authors and against domestic U.S. authors. I believe this view is generally shared by the Copyright Office and the Ad Hoc Working Group though we may differ on some specifics in this matter.

Following are my comments:

A. DEFINITIONS PROPOSED TO BE ADDED TO § 101

1. "Work of United States Origin"

The proposed draft definition of a "work of United States origin" seems unnecessarily confusing as drawn. Would the following be a satisfactory substitute for items (1), (2), and (3) of the draft?

> (1) a work first published in the United States or first published within a 30-day period in the United States and another country, if the other country (a) adheres to any text of the Berne International Copyright Convention and (b) grants a longer period of protection to the applicable work.

Apart from the issue of clarity, many questions seem to be suggested by the face of the draft, some or all of which may not have satisfactory answers under the Berne text, in itself confusing. For example, would not paragraph (2) of the Copyright Office's definition sweep under the U.S. regime of formalities -- see topic E *infra* -- works by many a non-U.S. Berne author who first publishes simultaneously in his/her country and in the United States?[1] Is this a desirable result? Despite Berne Article 5(4), is this consistent with the thrust of Berne? Are Berne Articles 3(1) and 5(1) adequately taken account of here? Does and should paragraph (4) of the Copyright Office draft eliminate from a "work of United States origin", and thus from formalities, a work by a U.S. national simultaneously published in the U.S. and another Berne country?

In the absence of a clearer explanation than I have been able to find in the Copyright Office's commentary, it is difficult to understand why the final paragraph of the proposed definition (referring to works by multiple authors of varied nationalities) provides that the country of origin should be the United States only if the quantum of foreign authorship is no more than 10 per cent. Would it not seem that where one or more U.S. nationals contribute "more than half" or a "preponderance" of the content of a work it could reasonably be deemed a work of U.S. origin? Furthermore, legislating here in terms of standards, such as "preponderantly" or "more than half," rather than via specific percentages, may facilitate application of the law. There is ample precedent for such an approach. See, e.g., existing § 601(a) and in later subsections of § 601 the references to a "substantial part." Some exercise of judgment, as well as factual investigation, seems unavoidable in this area.

2. "Architectural Works"

Should not this definition expressly include "architectural structures," not presently protected in the Copyright Act, as well as relevant drawings, plans, sketches, models, designs and sculptures?

3. "Pictorial, Graphic and Sculptural Works"

As to the proposed definition, and the adequacy of the U.S. law's coverage of applied art and industrial design, I believe our present design patent law, flawed as it is, satisfies such Berne protective requirements as go beyond what U.S. Copyright Law now protects. The Ad Hoc Working Group also notes that this is arguably a solution. See chapter 13 of its Preliminary Report at pages 15-18.

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[1] The broad sweep of paragraph (2) of the Copyright Office draft is substantially reduced by omitting the words "or the same" [period of protection] in the suggested substitute draft. This would appear to be consistent with Article 5(4) of the Berne Convention and Comment 5.13(a) of the WIPO Guide thereto. See, also, the Preliminary Report of the Ad Hoc Working Group on U.S. Adherence to the Berne Convention, Foreword at 7 (1985).

B. GENERAL MATTERS CONCERNING THE EFFECT OF THE BERNE CONVENTION ON U.S. LAW

1. Retroactivity

Articles 18(1), (2) and (3) of the Berne Convention, with their accompanying commentary in the official WIPO Guide, seem in terms amply to support Alternative A of the draft which provides that no retroactive protection would be granted to works now legally -- for whatever reason -- in the public domain in the U.S. I can find no substantial ground for believing that adoption of Alternative A would constitute an obstacle to acceptance of U.S. adherence to Berne by other signatories.

The problem of devising and administering alternative solutions (see Alternative B) with its attendant constitutional issues is daunting even if the Berne text and commentary were less clear than they appear to this reader. I note in passing that Alternative B would add to the very formalities which may in the end constitute one of the few truly substantial barriers to U.S. adherence to Berne in the eyes of other signatory nations.

2. Self-Execution

It seems widely desired -- and may, perhaps, even be vital to obtaining U.S. support for adherence -- that the Berne Convention be made non-self-executing in the United States. The object sought is that the Convention should be dependent for its effect in the U.S. on U.S. national legislation adopted to render U.S. law compatible with Berne and to implement its provisions for U.S. application. Disclaiming expertise on this question, I defer to my colleague Professor Louis Henkin's authoritative views[2] on attainment of this object.

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[2] See letter from Professor Henkin, University Professor at Columbia University and Reporter for the Restatement of Foreign Relations Law, to Senator Charles McC. Mathais, Jr. dated May 5, 1986.

As so far advised, I believe non-self-executing status for Berne can be effectively stipulated for the U.S.[3] As I understand it, this can be assured by including, in documents of accession or consent by the Senate to Berne adherence, a specific reservation stating that Berne is being adhered to by the U.S. on the understanding that Berne's provisions are not self-executing in the United States. Such a reservation would of course seem to require that the U.S. has already adopted, or that it promptly will adopt, legislation satisfactory to Berne signatories and authorities as establishing the necessary compatibility of U.S. law with the Berne Convention.

If I am correct that a statement regarding the non-self-executing nature of Berne in the U.S. should be a part of the documents of U.S. accession and consent, then it seems unnecessary to repeat that statement in the implementing legislation, whether in the form proposed by the Copyright Office or otherwise. Such repetition would appear harmless enough, but it should perhaps be phrased somewhat differently to serve as a reservation in a document of accession or consent than it now is phrased in the Copyright Office's proposed draft of implementing legislation. To avoid conflicts of interpretation, the appropriate phrasing of the reservation should, I believe, be repeated *verbatim*, if repeated at all, in the implementing legislation.

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[3] See, e.g., Stewart, International Copyright and Neighbouring Rights, (1983) at pp. 48-49, commenting as follows:

> "How the international law contained in the convention is translated into the national law of a state depends on the constitutional law of that state.
>
> (a) In some countries international conventions are self applying. No further legal or administrative act is necessary. The provisions of the convention become part of the national law and override previous legislation. The convention is 'self-executing.' This is the case for instance in France, Germany, Italy and the Latin-American countries. It leads to interpretation of the text of the convention itself by the national courts.
>
> (b) Some countries, on the other hand, do not regard agreements between sovereign states as part of the law of the land. Conventions are not binding on their citizens until ratified by the legislature. This is the case for instance in the Scandinavian countries, United Kingdom, United States. In these countries national legislation is needed to make the provisions of a convention binding on its nationals. This may be done by making the whole convention part of the national law thereby falling for interpretation by the national courts. It may also be done by drafting national law so as to comply with the convention. In that case it will be for the national courts to decide whether to take the convention text into account when interpreting the national law."

Obviously the questions of compatibility are the crucial questions. The self-executing or non-self-executing character of Berne in the U.S. cannot be a substitute for compliance with Berne or for explicit and specific reservations covering any non-compliance.

A proper reservation to the effect that Berne is non-self-executing in the U.S. should *not* require or encourage us to inhibit the normal developmental processes of our law (judicial and/or legislative), it being assumed that Berne provisions would not be binding absent U.S. implementing legislation (though they might not be wholly irrelevant in the resolution of ambiguities).

C. SUBJECT-MATTER OF COPYRIGHT

There is surely little difficulty in recognizing architectural works as copyrightable subject-matter in the future, with limitations as discussed in D *infra*.

D. LIMITATIONS ON EXCLUSIVE RIGHTS

1. Scope of Exclusive Rights in Architectural Works

The amendments proposed as a new section to follow the present § 113 seem judicious, except that:

a. consideration might be given to adding, at the end of subsection (a), these words:

"or primarily functional elements or features."

Note that this added phrase, familiar in the context of the law of unfair competition, could help to avoid unnecessary copyright-based intrusions on domains traditionally associated with U.S. patent law. Note too, that references to protection of architecture of "artistic character and design" (as opposed to "commonplace, standard or familiar building designs" -- see Copyright Office draft p. 6) will certainly, but I think unavoidably, involve administrators and courts, to some degree, in the kind of aesthetic judgments and criticism Mr. Justice Holmes thought should be eschewed. Bleistein v. Donaldson Lithographing Company, 188 U.S. 239, 251-2 (1903). Compare S. 22, 94th Cong., 1st Sess., Title II, Sec. 202(b) (1975), the proposed (but unenacted) provisions for Protection of Ornamental Designs of Useful Articles.

b. I assume it is intended by sub-paragraph (c) that damages will continue to be available. What of the possibility of remedial labeling -- perhaps already available under § 43(a) of the Lanham Act? This could be relevant, *pro tanto*, to Berne Article 6 bis (right of paternity).

2. Jukebox Compulsory License

This compulsory license may on its face appear incompatible with Berne. Both the Ad Hoc Working Group and the Copyright Office's comments on its own draft have found it so, and I also have thought the same (see my comments dated March 31, 1986 addressed to the Ad Hoc Working Group and those to the Senate Subcommittee dated April 11, 1986).

It is nonetheless my belief based on the position of Dr. Arpad Bogsch as quoted in the Ad Hoc Working Group Report and on my own discussions with M. Ficsor of WIPO that, if the Copyright Office's proposals prove politically unattainable, a failure by the U.S. to revise the existing political entente on jukeboxes, with its long difficult history, would not be fatal. It would not, I think, be seen by most other Berne signatories or by WIPO officials as constituting a sufficient ground of objection to U.S. adherence to Berne. One may note that there are many Berne countries with laws, on their face compatible with Berne, that in fact provide less satisfactory practical, economic results (whether due to local administrative corruption or inefficiency or other causes) in the quest for jukebox fees than the present U.S. arrangements actually afford.

These remarks are not intended to condone in any degree the present U.S. jukebox compulsory license nor to suggest abandonment of efforts to rid our law of this anomalous compulsory license. Rather, it is suggested that, as matters stand, removal of the clause now is most probably not a _sine qua non_ for acceptance of our adherence to Berne, especially if our efforts to deal with this problem are continued.

3. Moral Rights

The Ad Hoc Working Group is correct, I believe, in concluding that developing U.S. law is sufficiently compatible with Berne on the subject of moral rights, given the state of the law in other Berne countries, such as Britain and Australia. This is so even though the British government in a recent "White Paper" now recommends that the British should move to protect moral rights. Accordingly, it seems entirely unnecessary to include a special provision on moral rights in U.S. legislation, since we are assuming that any adherence to Berne will stipulate that Berne (including Article 6bis on moral rights) is non-self-executing in the United States (see topic B.2. _supra_).

The moral rights provision proposed by the Copyright Office seems not only unnecessary, but its inclusion -- as now drawn -- in qualifying legislation would be confusing and undesirable. The Copyright Office's comments say that its proposed provision is not intended to freeze or preempt state development of rights in this area, yet its "freezing provision" refers to "the law" (including other federal laws?) and refers both to Title 17 _and to state statutes and common law_ as of a certain date. Again, why does the draft refer to the "owner of copyright" and not to the creator-in-fact or author who is the intended beneficiary of moral rights? What is the intended effect of "as held applicable and construed by a court in an action brought under this title"? Are pendent state claims included? Or is the provision really meant to operate only "insofar as the action in question is based on Title 17"? This apparent and surely inappropriate reincarnation of old § 117 (relating to computer programs in the original Act of 1976) seems admirably designed to foster confusion and to frustrate the purposes suggested in the Copyright Office commentary. In my view federal and state law alike should be left by the Act to develop in the normal way in this area. I would urge that the suggested provision be eliminated.

In my memoranda (cited earlier) to the Ad Hoc Working Group and the Senate Subcommittee, I expressed doubt as to whether "squeaking by" on moral rights was good enough. But on further reflection, and in view of the vital importance of Berne adherence for the United States, it seems the wiser course to rely on our law (as it is and as it is evolving) as sufficiently compatible for Berne purposes. Consideration should be given at a later date to possible legislative action for the future on this subject. This is the position in Britain and Australia. Our law in fact compares favorably with theirs. Similarly, my comments in earlier memoranda on the law regarding works-for-hire as it is developing and on the treatment of unpublished works (apart from formalities, discussed infra) relate to areas which are not, in fact, seen by others as presenting obstacles to Berne adherence. These matters should nonetheless, I think, be put down for reconsideration at a future time.

One may note, as a comparative matter, that the Berne Convention allows continuing Berne adherence by signatories who have not assented to later Berne revisions. It is apparently expected that, in the course of time, such countries will develop their laws to reach the higher levels of protection provided in more recent texts. Progress from our present legal posture might equally be hoped for from the U.S.

E. FORMALITIES

1. Notice of Copyright

The Copyright Office draft on notice and other formalities seems patently unjustifiable. It creates a two-tier system that discriminates in harsh and costly respects against U.S. authors and leaves in place as to such authors a system of formalities that is both seriously defective and seems to strain the resources of a meagerly-funded agency.

Recent conversations with leading Berne copyright spokesmen and WIPO officials have left me with the impression that U.S. formalities (including the manufacturing clause discussed in part 2 infra) constitute the single most important barrier to acceptance of U.S. adherence to Berne. The elimination of incompatibility in this area --

in a manner fair to all -- would seem to deserve the highest priority in legislative efforts to meet Berne standards.

To begin with, the U.S. notice requirement has been so diluted -- even for U.S. authors -- as to be at best virtually worthless to users in many situations; at worst the requirement is barbaric in its effect on our own creators. No conscientious lawyer can advise a client today that, because a work bears no copyright notice, it may, without more, be assumed to be unprotected by copyright. The 1976 Act preserves copyright in cases where notice is absent or defective (a) on a "relatively small" number of copies, (b) on copies not "publicly distributed, (c) on copies from which notice is either omitted contrary to the copyright owner's direction or removed without proper authority and (d) on copies generally, if the claimant within a five-year grace period registers and deposits the work and makes reasonable efforts to cure the omission or defects. The exemption of Berne works as per the Copyright Office draft would create another large class of works where absence of notice would not reliably indicate non-protection.

With the notice requirement so attenuated, the treatment of lapses from notice requirements (e.g. absence of notice, or name, or date, or postdating by more than one year) as grounds for forfeiture of all rights in a U.S. author's work (perhaps representing many years of labor) makes the proposed two-tier system glaringly inapt. The discriminatory punishment thus visited on U.S. authors in no way "fits the crime" and contradicts, as well, the intent of our Constitution, Article I, § 8, to encourage, not penalize, authorship. It is time to do away with notice altogether or, if it is retained for U.S. authors, to do away entirely with the sanction of invalidity for notice failures. There is no reason why, if retention of notice is insisted upon for U.S. authors in the face of its abandonment (apparently without serious consequences) by the rest of the civilized world, it cannot be enforced by means of a simple monetary fine of reasonable amount (say, double or triple the registration fee heretofore charged). This seems to be the thrust of the third possible option described in the Copyright Office's commentary (p. 17), except that revisions should be made in this option to eliminate provisions as to "evidentiary value in relation to innocent infringement" and as to curtailment of statutory damages and attorney fees.

Questions were raised earlier about sub-sections (2) and (4) of the proposed § 101 definition of "works of U.S. origin" as possibly subjecting non-U.S. Berne authors to U.S. formalities and freeing some U.S. authors from those formalities. And what, e.g., of the impact of § 405(b), under the provisions here proposed by the Copyright Office?

2. The Manufacturing Clause

It seems to me that under Berne this clause -- a forbidden formality -- can only be retained if reworked to apply -- on a two-tier basis -- solely to works entirely authored by U.S. nationals. The proposed amendment of § 101 defining "works of United States origin" would in its final paragraph (on works by multiple authors of varied nationalities) go beyond this and so be "out of bounds." The application of proposed paragraph (2) here seems questionable for reasons noted earlier. Moreover, might not parts of the definition of "works of U.S. origin," in combination with the two-tier system, discourage the simultaneous publication of certain works in the United States while paragraph (4) may encourage U.S. authors to publish elsewhere?

The manufacturing clause has been discussed sufficiently by others. It thus seems unnecessary to repeat here the arguments against a clause which has no justifiable place in a copyright statute and which, with plain injustice, makes the enforceability of U.S. authors' rights a pawn in the international competitive struggle between printers, a struggle quite irrelevant to authors' rights. I can only express the hope that whatever legislative proposals are finally enacted on this subject will eliminate the clause or insure that it presents no incompatibility with Berne. Manufacturing limitations ought surely to be dealt with -- if dealt with at all -- elsewhere in U.S. law on their own merits as restrictions or tariffs affecting international trade and not as an element of copyright law.

3. Registration, Recordation, and Deposit

As to registration, it seems very clear that the Ad Hoc Working

Group is correct on both legal and practical grounds in its conclusion that registration as a prerequisite to infringement suits is a formality incompatible with Berne. To say that registration is not a condition of copyright (§ 408) but a prerequisite for suit (§ 411) is to posit a right that is wholly useless without formalities (because unenforceable) -- in effect a right without a remedy, absent formalities.

Both the revisors of the 1976 Copyright Act -- and seemingly the present Copyright Office draftsmen -- were and are dedicated partisans of registration and formalities. There is no sound reason I know of for extending registration and deposit requirements to unpublished works as a condition of judicial protection (§ 12 protection of such works under the 1909 law was a matter of choice). Unpublished works include such deliberately "private" works as diaries, personal journals, rejected sketches, etc. which, if they must be deposited, are thus forced inappropriately into the public records. The present treatment of unpublished works seems to me in clear violation of Article III, § 4 of the UCC and of the implications of Berne (see Article 10 and Comment 10.3 of the WIPO Guide, etc.) regarding such works. The protestation in § 408 that registration is not a "condition" of copyright is empty of practical meaning..

The requirement that registration and deposit be conditions of suit and of full-scale remedies for unpublished works should be eliminated both for Berne and U.S. works. No such unjust two-tier system should be tolerated here. Registration of unpublished works should be, as it once was, voluntary. Accordingly, it should not trigger penalties or disabilities if non-registration is preferred. Changes in § 411 are thus essential.

Option 2 described on page 21 of the Copyright Office draft and commentary seems the most apt for published works' registration if this must continue, though some flat monetary penalty would perhaps be more appropriate than reduction of remedies for failure to register, deposit or record. Changes to § 407 and § 411 would indeed appear essential.

The second full paragraph on page 22 overstates the case for a registration system and fails to confront the disadvantages which have caused Berne and other countries to jettison this system long ago[4]. The disadvantages include -- to name a few -- the incompleteness of registration records (including failures to retain many deposit copies), the maintenance of a large, expensive bureaucracy to operate the system, and the entanglement of authors in red tape, in inappropriate and high costs[5] and in legal problems which they are commonly ill-equiped to cope with -- financially, temperamentally and practically.

Deposit requirements have a cultural raison d'être but can be divorced from other formalities and should be implemented via sanctions that do not impair the validity or enforceability of copyrights.

4. Renewal of Copyrights

I would urge that the proposed draft provision on renewal be deleted on the ground that this transitory renewal scheme plainly falls within the authorization accorded by the Berne Convention's Article 18(3).

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[4] See Kaplan, The Registration of Copyright, Copyright Office Study No. 17 at 42 (par. 3), 43 (pars. 1 and 5) (1958), in 1 STUDIES ON COPYRIGHT (Arthur Fisher Memorial ed. 1963).

[5] The raising of registration fees to daunting levels is even now under discussion. Should not exploiters who use the system bear the major brunt of costs in preference to the often impecunious author?

ADDITIONAL QUESTIONS FROM SENATOR MATHIAS
TO PROFESSOR KERNOCHAN

1. A good deal of attention has been and will be paid to those areas of our law which appear incompatible with Berne obligations. While it is important to focus on the differences, I would like to look at this issue the other way around for a moment: How is our law compatible with Berne, eg. in the areas of term of protection, exclusive rights and fair use? Would our copyright principles be in general accord with Berne?

2. There are at least two ways to address most of the incompatibilities between U.S. law and the requirements of the Berne Convention. One approach is simply to make these provisions inapplicable to works by nationals of Berne countries or first published in those countries. The result would be a two-tiered system, with different requirements depending on the nationality of the author or place of first publication. The second approach is to maintain a uniform system, and simply amend the incompatible provisions of the copyright law for everyone. Either as a general rule, or with respect to specific incompatibilities, how do you think Congress ought to proceed? Which approach should Congress take?

3. Is there any value to the maintenance of formalities, if that can be done in a way compatible with Berne? For example, the Copyright Office has suggested that notice of copyright could still be required with respect to U.S. works, even though it could not be required for works originating in Berne member countries. The Office also suggests that, even if the notice is eliminated as a requirement for any works, incentives to include a copyright notice could still be provided by law. What is your reaction to this idea?

4. The Ad Hoc Working Group's preliminary report suggests there could be some incompatibility between our law and Berne on the issue of term of protection. Some works may have fallen into the public domain in the U.S. but not in the country of origin. If we adhere to Berne, are we going to have to take works out of the public domain and give them copyright protection retroactively? What problems do you think this will cause?

5. The Library of Congress has obtained a large percentage of its collection through the registration and deposit procedures required by the copyright law. Would our adherence to Berne pose any problems for the Library in maintaining and expanding the world's greatest collection? If so, is there any way to provide a low-cost alternative solution?

6. You agree that the jukebox compulsory license is incompatible with Berne. One way to cure this would be simply to repeal the compulsory license, at least with respect to works originating in Berne countries. But is that the only way? Is this an all-or-nothing proposition?

7. Experts are divided on whether U.S. law onregistration of copyright is incompatible with Berne. Assuming the Ad Hoc Group's assessment of incompatibility is correct, two options are available: (1) require registration for enforcement of copyright non-Berne works; or (2) replace mandatory registration with

procedural and remedial benefits that would encourage registration. Other Berne countries, such as Canada, India and Mexico, presently use permissive registration as evidence of copyright validity. Which option would you prefer?

8. The Ad Hoc Working Group identified the notice formality as incompatible with Berne. A solution proposed by the Copyright Office was to dispense with requiring notice on works of foreign origin. Elimination of the notice requirement would save money now spent on its administration, and dispose of the burdensome task of placing copyright notices on information products and services. But the notice provision has facilitated the resolution of conflicting transfers, the reversion of rights after termination, and the acquisition of permission to use a work. If the above proposal is adopted, how might the present benefits of notice be retained?

9. What changes do you recommend in order to make our durational provision on pseudonymous works Berne compatible?

10. In terms of work for hire, are we looking at a serious legal conflict between our law and Berne oblications, or does Berne try to leave room for countries such at the U.S. to maintain their long-standing rules governing works-for-hire and copyright ownership-authorship?

11. Is there any perceptible difference between the copyright laws and the quality of copyright protection in those developing countries that belong to Berne and those that belong only to the Universal Copyright Convention (UCC)? How well has Berne done in the Third World? Has the UCC been widely accepted in the Third World?

12. The Ad Hoc Working Group is critical of the Copyright Office's suggestion for a clause "freezing" the state of the law on moral rights based on provisions of statutes other than the copyright law. Let us assume that Congress agrees with the Ad Hoc Group that these non-copyright provisions are enough to save U.S. law from incompatibility with Berne on the question of moral rights. How should moral rights be handled in implementing legislation? If we do not include a clause such as the one suggested by the Copyright Office, should the statute remain silent on this issue?

13. It's often said that adherence to Berne will help our efforts to increase respect for copyright worldwide. But your also argue that joining Berne will "raise conciousness" in this country about increasing the level of protection for authors. What specifically do you see as the positive benefits of Berne on the domestic copyright scene?

RESPONSES OF PROFESSOR KERNOCHAN TO ADDITIONAL QUESTIONS SUBMITTED BY SENATOR MATHIAS

June 3, 1986

Senator Charles McC. Mathias, Jr.
United States Senate
Committee on the Judiciary
Washington, D.C. 20510

Dear Senator Mathias:

I write in response to your letter of May 21 propounding a number of questions regarding U.S. adherence to the Berne Convention and asking for my comments on the draft of implementing legislation prepared by the Copyright Office.

I prepared and sent to you earlier my comments dated May 15 covering the Copyright Office draft in some detail. These comments, together with my memorandum of April 11 filed with your Subcommittee before the April 15 hearings, will be seen to contain answers to a number of the questions asked in your letter of May 21. I hope you will forgive me for adverting to my April 11 and May 15 memoranda in responding to your 13 questions. The purpose is to avoid needless repetition and extra verbiage and thus save your, and your staff's, valuable time. I enclose an additional copy of my April 11 and May 15 comments to which I will cross-refer when appropriate.

1. In large part, our copyright principles are in general accord with Berne, notwithstanding certain specific problem areas discussed in the Ad Hoc Working Group's Report. In common with other countries following the Anglo-Saxon legal tradition, we have tended to view copyright mainly in terms of the economic rights of authors and to devote relatively little attention to authors' personality interests in their works, these last interests being the basis of the so-called "droit moral" partly recognized in Berne, and more fully developed in such civil law jurisdictions as France, Germany, Italy, etc. But in recent years, especially in some court cases and under various state

and federal statutes, utilizing various tort and other theories, some of the authors' personality interests have achieved de facto recognition in a noticeably expanding degree. Also, we have a "right of termination" (17 U.S.C. § 203), a special right in the nature of droit moral, which is peculiar to our system. The United Kingdom's recent White Paper -- partly a response, perhaps, to EEC pressures -- may stimulate a more direct Anglo-Saxon recognition of droit moral theory, hitherto virtually ignored in that Berne nation. Until that happens, I believe our indirect approach has not infrequently yielded results closer to the civil law approach than has the law of such Berne countries as the U.K. and Australia (which lags far behind us in this area).

Our U.S. laws still fail all too often to acknowledge in the spirit of Berne that the work of authors is indeed work that, like other kinds of work, deserves to be paid for at reasonable rates when used if authors are to live by their art. Our laws have not always reflected the point that, because of what economists call the "public goods" character (costly to prepare, cheap to rip off) of authors' work, it needs and merits special monopoly protection. Indeed the monopoly envisaged for authors in the Constitution has been viewed by many over the years in the U.S. as a special anti-competitive privilege, to be strictly construed and grudgingly dealt with whenever possible.

One particular element that sets our law apart from Berne's spirit and letter has been our nation's almost obsessive concern with intricate formalities (notice, registration, etc.) whereby authors, ill-prepared to deal with such intricacies, have, in cases of often minor nonobservance, been and still are being trapped and frequently deprived of all rights in their work. U.S. requirements of compliance with formalities as a condition of the validity or enforceability of authors' rights may well be the most serious barrier to our adherence to the Berne Convention or to our acceptance as a Berne member by other signatories. See my memorandum of May 15 at pp. 12-17. They are a special drawback in a system which otherwise, as it stands, possesses a large degree of compatibility with Berne.

It seems to me our law is generally consonant with Berne in respect of at least two of the examples given in your Question 1: term (since the 1976 Act) and exclusive rights. The same is largely true as to the subject matter covered, with the possible exception of works of architecture. As to fair use, please see my comments in item (3), pp. 4-5, of my memorandum of April 11.

2. I believe I have answered this question in my May 15th memorandum at pp. 2 and 12ff.

3. Please see my May 15 memorandum at pp. 12-17 with regard to notice and other formalities. The notion that notice requirements would be eliminated but that incentives to provide notice would be adopted could be acceptable to me, but only if the "incentives" referred to exclude any provisions that might affect the validity or enforcement of copyright, including those excusing innocent (i.e., uninformed by notice) infringers, as opposed, say, to including provisions that impose some reasonable monetary fine for omissions or grave defects. There should, however, be no such penalty, for example, for omission of a date except where the date makes a difference (e.g., in the case of pseudonymous or anonymous works or works for hire with corporate or other non-human authors), but this exception does not cover the sort of damaging presumption expressed in 7 U.S.C. § 302(e).

4. Please see my May 15 memorandum at p. 5. Some U.S. publishers may wish to undo the past and recall works from the public domain in other countries (e.g., South Korea and Taiwan) which have allowed rampant piracy, as a part of U.S. efforts to have these nations honor copyrights and join Berne or the UCC. To strengthen their case, such publishers would like the U.S. to offer some evidence of its own willingness to practice what it preaches. But the difficulties of reinstating protection for public domain works seem to me to outweigh the benefits. When the U.S.A.'s first 100 years of being the world's premier pirate of foreign authors' works were terminated by the Chace

Act of 1891, did we then consent to give back protection to foreign authors' works already a part of our public domain? If not, should we demand more of others or offer more ourselves now? I believe the Copyright Office's Option A is the only practicable solution.

5. If the "world's greatest collection" is indeed housed in our Library of Congress and if that collection is a vital national asset for the U.S. public, then it should in my view be paid for (at least at wholesale prices!) out of the public's pocket, rather than subsidized by authors and publishers. That the Library wants to have or has the "greatest collection" may be a praiseworthy objective, but it is one that has no real relation to authors' rights and should be viewed and dealt with independently of such rights.

The "low cost" (the present cost, I assume) referred to in your Question 5 is not a "low cost" (especially as higher registration and deposit fees are now being predicted and works grow more costly to produce) for the authors or publishers who are asked to pay it. It is a "low cost" for the public because of this subsidy. The philosophy underlying this subsidy-"low cost"-argument seems rooted in the notion that authors' rights are a special monopolistic privilege, for which tolls are to be exacted, rather than a simple recognition of a property right enabling authors _to be paid_ (vs. requiring _them_ to pay) for the _work_ they do as others are paid for their work. (But see the Universal Declaration of Human Rights, Article 27, and the International Covenant on Economic, Social, and Cultural Rights, Article 15, recognizing the authors right as a human right.) Why are two copies required now for deposit -- and this even for works the Library has no interest in retaining? The Library of Congress would seem to need only one copy. May not the practices of the Library of Congress and the Copyright Office with respect to deposit copies merit reexamination?

How might the deposit problem be handled for the Library of Congress outside the copyright system? One suggestion follows.

Deposit provisions could provide for mandatory deposit with the Library of Congress of one copy of non-U.S. copyrighted works distributed in the U.S., subject to a fine for failure to make such deposit within 6 months of first U.S. distribution. The Copyright Office would be empowered to demand deposits not so made and to bring action therefor in federal court. Foreign publishers or copyright owners of such non-U.S. works distributed in the U.S. would be required to appoint a U.S. agent for service of process (compare Lanham Act, 15 U.S.C. § 1051(d)) in connection with securing deposit of such works. Copyright Office remedies would include the power to seize a needed copy and to exact a fine plus the cost of the proceedings required to secure the copy (less the wholesale cost of the copy). In the absence of an appointed agent, the U.S. would be empowered to seize a copy for the Library of Congress from any local importer, publisher thereof or dealer, subject to the same remedy. Arrangements of a comparable nature could be applied to U.S. works.

6. On this question, please see my argument in my May 15 memorandum, pp. 9-10, that the jukebox compulsory license is an apparent rather than a real barrier to Berne adherence and to our acceptance by other Berne signatories as a member of Berne. The Ad Hoc Working Group points out a number of arguments that could justify the continuation, or slight modification, of present arrangements as consistent with Berne and avoid the difficulties of change.

7. See my memorandum of May 15 at pp. 15-17. I would generally oppose a two-tier solution (see p. 2 of my May 15 memorandum), or any registration requirement which would be imposed as a condition of the validity or enforcement of authors rights or which would substantially affect the realization of such rights. A monetary fine (see my answers to Questions 3 and 5 supra) is a possibility.

8. I have discussed in my memorandum of May 15, at pp. 12-14, the need to dispense with required notice. I also question whether the notice provisions generally result in the "benefits" listed in Question 8. In the resolution of conflicting transfers or the determination of

the proper time for effecting termination of rights or the acquisition of permission to use a work, a factual investigation is always required. At best, the information in the copyright notice may provide a starting point in that investigation. But the information may not be accurate for the purpose concerned (e.g., there may have been transfers of the rights) and the name (especially when it is that of the creator or publisher) or date of publication or printing are often prominently displayed on the copyrighted material in locations other than the copyright notice. The self-interest of owners and others wishing to exploit copyrights through use by others, or to bar infringing users, can be relied on to press most of such entities to identify themselves or their works so that users can find them. Notice requirements have grave disadvantages not mentioned in your Question 8 which other nations have found not worth either the cost to authors or the cost of administrative machinery needed to carry out such requirements. Why not consult representatives of non-formality nations as to how they function without formalities?

9. Why not simply add to the U.S. Copyright Act a provision saying that, whenever the provisions of U.S. law governing the duration of protection for protected anonymous or pseudonymous works would give such works a shorter term of protection than that prescribed for them by Article 7(3) of the Berne Convention, the term prescribed by Article 7(3) shall hereafter be applied to such works in lieu of the otherwise applicable U.S. law? Or the existing U.S. provisions could be directly revised to incorporate (for non-public domain works of this character) such lengthening of the term of protection as complies with the Berne rules on anonymous and pseudonymous works. In either case, the U.S. law should include a provision, as permitted by Article 7(3) of the Berne Convention, to ensure that "anonymous or pseudonymous works in respect of which it is reasonable to presume that their author has been dead for fifty years" shall not be protected. This will prevent a perpetual copyright for unpublished works, as was intended by the framers of the 1976 Act. Since the scope of incompatibility in this

area involves only anonymous and pseudonymous works that are published more than 50 years after creation, it is hard to imagine why, with the safeguard suggested, any addition or revision, as above proposed, would be controversial.

10. See my memorandum of May 15, at pp. 11-12.

11. I have not the expertise in, or the wide acquaintance with, developing countries' copyright laws required to answer this question. Nor could I obtain these without months of research. It would seem to me the question should be addressed to WIPO as respect Berne members and to UNESCO as respects UCC nations. It may be that international copyright law experts in the U.S. Copyright Office can answer, or readily secure answers to, your question.

12. I have answered this question at pp. 10-12 of my memorandum of May 15.

13. This question is addressed at pp. 15-17 of my memorandum of May 15. The Copyright Office's concept of formalities that do not affect the existence of copyright but whose nonobservance prevents its enforcement -- i.e., positing rights without remedies -- is to this observer a concept of no practical value. Congress should act in accordance with the Ad Hoc Working Group's views. As noted at the outset (at question 1 supra), our clinging to this Copyright Office theory (whether or not shared by others) as to formalities which give rights without remedies could prove the most substantial of all barriers to Berne adherence and to acceptance of the U.S. as a Berne member. In my recent conversations with officials of Berne nations or WIPO, the present official U.S. attitude toward formalities (including the manufacturing clause) is the principal, if not the only, concern voiced in opposition to U.S. adherence.

* * *

I hope that the foregoing will be helpful to you and your subcommittee and staff. With best wishes for your endeavors to secure U.S. adherence to Berne and with thanks for your consideration, I am

Sincerely yours,

John M. Kernochan
Nash Professor of Law

JMK:sb

Senator **Mathias**. Thank you very much, Professor Kernochan. Mr. Wallace.

STATEMENT OF DON WALLACE, JR.

Professor **Wallace**. Thank you, Mr. Chairman. I am very glad to appear before you again. I am not a copyright expert. In fact, I have barely had time to study either the Berne Convention or what I am told are some proposed amendments to the Copyright Act.

I am a professor of international law. The question that has been put to me is whether the Berne Convention is self-executing; that is to say, if we were to accede to it without more, would it be self-executing, principally in the eyes of an American court.

The answer is partly yes and partly no, in my view. I think it is reasonably clear that if you read Berne, many of the provisions seem to be self-executing. What I mean by that is that they create rights, or speak as if they do.

For the United States, with our Constitution, and particularly article VI, the supremacy clause, I would say without more, those provisions probably create rights. Now, what does that mean?

That means that if the copyright law is silent, they create rights. If the copyright law is not silent but inconsistent and the courts cannot reconcile the two, then, as you know, Senator, the latest in time would prevail, and if the Berne Convention is the latest in time, it would prevail.

Now, there are other provisions of the Berne Convention which clearly are not self-executing in the sense that they say members of the Union will enact legislation. So I do not think there is a simple answer.

With respect, I have looked at the report of the ad hoc working group, and as I say, I am not a student of copyright law, though I once represented writers when I practiced law in New York. I would say that their conclusion is probably to some extent mistaken.

Now, there is a further complication in the Berne Convention. Articles 36 (1) and (2) seem to anticipate trouble, and they say that when parties sign Berne, they should do everything possible to bring themselves into line with it, to the extent that their constitution permits.

Now, I think for a country such as the United Kingdom—where a treaty does not create law because they have neither a supremacy clause nor indeed a written constitution, and where typically the Parliament must enact legislation to create private rights—that has one implication.

But for us, with article VI, I think it has a totally different one, and I think the citation to Mannington Mills in the ad hoc group's report is not sufficient.

I was read some language on the telephone on Saturday, to the effect that the Congress—not the Senate through its accession process, giving its advice and consent—in the Copyright Act would find and declare that "the Berne Convention is not self-executing and that the obligations of the United States thereunder may only be performed pursuant to appropriate legislation."

I would say that that provision, if it just came out clean at the same time as we acceded to Berne, would create difficulties. Certainly, it would for an international tribunal or a court in another country.

I think it would, on the face of it, seem to put us to some extent in breach of the very treaty we have just acceded to.

When we accede, if we do, to Berne, we can say that our accession will be effective 1 year from now, 5 years from now, 6 years from now; we can leave a lot of time.

But if we do not do that and if we just accede, ipso facto, I think proposed provision would be—I would hate to say mischievous, but that is what it is, I think. I think it would be mischievous and create problems for American courts. I could explain that if you care to pursue the matter.

[Professor Wallace's submissions for the reord follow:]

PREPARED STATEMENT OF DON WALLACE, JR.

Mr. Chairman, I am Don Wallace, Jr., Director, International Law Institute, and Professor of Law, Georgetown University Law Center; and Of Counsel to Wald, Harkrader & Ross. I am very glad to appear before you, once again.

1. I have been asked whether the Berne Convention for the Protection of Literary and Artistic Works, dated September 9, 1886 as amended through July 24, 1971, is "self-executing." To put the question slightly differently, were the United States to accede to the Berne Convention, will we have acceded to a treaty that is self-executing as to and in the United States? Indeed, a related question presents itself: can we avoid such a self-executing effect, upon our accession? A final, important distinction is this: would Berne be deemed to be self-executing by an American court; as opposed, for example, to the International Court of Justice (which would have jurisdiction under Article 33(1) of the Convention, unless we were to declare otherwise pursuant to Article 33(2) of the Convention).

2. The answer to the question whether the Convention would be self-executing as to us, if we acceded to it (without taking any other steps), would seem to be yes in part, and no in part.

Thus all or parts of Articles 2, 4, 5, 6-bis, 7, 8, 9, 10, 11-bis, 12, 13, 14, 15 and 18, and probably other Articles of the Convention, would seem, by a combination of the operation of their terms and the operation of Article VI of the U.S. Constitution, the so-called Supremacy Clause, to be self-executing and to create rights and duties in private parties, and governments, in U.S. courts. The fact that in other countries, such as the United Kingdom, these might not be self-executing because of the nature of the constitutional/legal system in those countries, seems irrelevant to the result in the United States.

To take a possible example of self-executing provisions, Article 2(1) of the Convention lists "literary and artistic works," including some that might not be included in our Copyright Act, and Article 2(6) states that the works mentioned (in 2(1)) "shall enjoy protection," etc.

On the other hand, other provisions of Berne do not directly create private rights and duties. Thus, Article 2(7) provides that "it shall be a matter for legislation in the countries of the Union to determine the extent of the application of their laws to works of applied art and industrial designs and models," etc.

As one looks through the Berne Convention, and recognizes that parts of it have been adopted in 1886, 1896, 1908, 1914, 1928, 1948, 1967 and 1971, one encounters an odd mixture of provisions: direct creation of rights, creation of rights by reference to national laws; anticipation of further national law; and more conventional treaty provisions.

Given the great variety of provisions in the Convention, Articles 36 (1) and (2) are almost anticlimatic. They provide:

"(1) Any country party to this Convention, undertakes to adopt, in accordance with its constitution, the measures necessary to ensure the application of this Convention.

"(2) It is understood that, at the time a country becomes bound by this Convention, it will be in a position under its domestic law to give effect to the provisions of this Convention."

Because of Article VI of our Constitution, Article 36(1) is to a degree redundant for us. Because of Article VI, to the extent the Convention is "self-executing," it would become law for us by its own force and also supersede prior, inconsistent legislation, e.g., provisions of the Copyright Act. See Proposed Restatement of the Law, Foreign Relations Law of the United States (Rev.), American Law Institute, Section 135(2); Head Money Cases, 112 U.S. 580 (1884).

3. To the extent the Convention is *not* otherwise self-executing, Article 36 imposes an obligation upon us to have laws in place to "execute it" or to be in a position to do so.

Presumably there is nothing in our constitutional system to prevent us from executing the Convention. Thus, for example, there would not seem to be any difficulty in having the terms of the Convention apply to and in our states. The normal implication is that we would "execute" the non-self-executing part of a treaty within a reasonable time of our becoming bound to it. Indeed, we could clearly enact any necessary legislation, concurrently with, or indeed prior to, the Senate's giving its consent, which might execute (I ignore the possibility of Senate action alone executing the non-self-executing parts of the Convention) the Convention at the same time as the Convention enters into force with respect to the United States, by proclamation or otherwise, as an international matter. Article 29(2)(a) of the Convention suggests that, on accession, the treaty will enter into force with respect to us on a date indicated in our instrument of accession, which, it appears, could be any time that we choose.

Article 36(1) refers to the "constitution" of countries party to the Convention.

I suppose that in the area of copyright, one must always consider limitations imposed by the First Amendment of the Constitution, not only on the treaty power, but indeed on the legislative power. I assume that such articles as Article 2(4) and 2(8) of the Convention referring to legislative texts, news of the day, etc., would not apply in such a way as to violate the First Amendment. For a treaty cannot be self-executing, and indeed even executed in the U.S. if the U.S. Constitution prevents it. Restatement, Foreign Relations Law, Section 131, Comment (i).

4. I understand that whether or not Berne would be self-executing might be raised in litigation in United States courts. It is true that to the extent that Berne is self-executing and irreconcilably inconsistent with prior U.S. legislation, it will supersede that legislation and be the source of private rights and duties in our courts. (To the extent that it is not self-executing, or otherwise implemented by U.S. legislation, it is that legislation that would be the source of private rights and obligations in our courts.)

Generally, the question of whether a treaty, including Berne, is self-executing is for our courts a question of the intention of the parties—in this case, as revealed in the Convention and by the United States at the time of accession. And in this connection, our courts would look not only at statements of our executive, but also acts and statements of Congress, specifically the Senate, during the advise and consent process. They would give great weight to interpretations of Berne by the executive. (Incidentally, the practice of our courts might not be identical to that of an international court, such as the International Court of Justice, applying the customary international law with respect to interpretation of treaties, currently codified in the Vienna Convention on the Law of Treaties that is in force but to which we are not a party, but many of whose terms we have suggested constitute customary international law. Specifically, Vienna looks more to the four corners of instruments, and less to surrounding circumstances, than U.S. courts.)

5. Articles 28–30 of the Convention would appear to allow us very limited reservations on our accession (namely, under 30(2)(6) and 33(2)).

6. Although our right to make reservations appear to be very limited, we might still declare certain "understandings." This would enable us to seek to interpret certain provisions, for our courts, in certain ways. It is not clear to me that it would extend to the right to state it to be our understanding, on the occasion of accession, that none of Berne is self-executing.

I have just been informed that it has been suggested that an amendment has been proposed to the Copyright Act (as opposed to the Senate's resolution of accession), that "The Congress finds and declares that the Berne Convention for the Protection of Literary and Artistic Works is not self-executing, and the obligations of the United States thereunder may only be performed pursuant to appropriate legislation."

On a quick reading, it strikes me that this language creates problems.

To the extent that Berne is not self-executing it may be innocuous—although it seems a bit inconsistent in tone with parts of Article 36.[1] To the extent that "appropriate legislation" already exists with respect to otherwise non-self-executing parts of Berne, it raises questions. To the extent Berne is self-executing, and we accede to it, and bearing in mind Article 36 generally, the proposed Copyright amendment may be deemed to raise questions of our good faith in international law.

The Vienna Convention reflects the notion of the obligation to carry out an international agreement in good faith, rather akin to the principle of *pacta sunt servanda,* which one can assume is also the law of the United States. This suggests to me that to the extent that the Berne Convention is "self-executing," our accession to it implies our obligation to apply it without further legislative action. We also accept Article 36. It is hard to see how accession and the proposed amendment would co-exist, without a risk of problems for our courts, because of international law, Article VI of the Constitution, etc.

I will be very happy to consider further questions with respect to the self-executing nature of the Berne Convention, inasmuch as I was asked to give this testimony on very short notice.

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[1] The Third Circuit Court of Appeals in interpreting the 1883 Paris Convention for the Protection of Industrial Property in *Mannington Mills, Inc.* v. *Congoleum Corporation,* 595 F.d 1287 (1979), declared it to be non-self-executing because of its Article 17, which is almost identical to Berne's Article 36. I am not familiar with the other provisions of the Paris Convention. In any event, the holding was made without benefit of language akin to that in the proposed amendment to the Copyright Act.

INTERNATIONAL LAW INSTITUTE

DON WALLACE, JR. Director
Professor of Law
Georgetown University Law Center

June 5, 1986

The Honorable Chas. McC. Mathias
United States Senate
Room 387 SROB
Washington, D.C. 20510

Dear Senator Mathias:

I have your letter of May 21. Let me address each set of questions separately.

1. You point out that the United States could enter reservations to the Berne Convention, or attach an understanding as to how particular provisions should be interpreted. But you express doubt about whether an understanding could be used to express our intentions with respect to self-execution. Why not? What other methods are available to demonstrate how we think the self-execution questions ought to be resolved?

In my April 15, 1986 prepared statement, I stated, on page 6, "It is not clear to me that [our right to declare 'understandings']...would extend to the right to state it to be our understanding, on the occasion of accession, that none of Berne is self-executing." My revised prepared and oral statements confirm that our right under Berne to enter reservations is very limited.

What "understandings" would be permissible? These are from different cases:

(i). Certain articles of the Convention are fairly clearly not self-executing and we could presumably say as much if it served some purpose to do so. I will return to a discussion of these articles, as well as those referred to in (ii) and (iii).

(ii). The case will not be so clear for some other articles. If it is in our interest to do so, we might specify in our instrument of accession our understanding as to why these are not self-executing. Our understanding may be based on WIPO interpretations, practice of other countries (*i.e.*, who accept the self-executing nature of some provisions of Berne), etc. All this would take some work.

(iii). Many articles do appear to be self-executing (I have listed some in my testimony) and in some of these cases our current legislation may not be "compatible." See the December 1985 preliminary report of the *ad hoc* working group on U.S. Adherence to the Berne Convention. To the extent Berne is self-executing, it will override such prior legislation. It is difficult to see how understandings will solve this problem. Where Berne is self-executing, it is because of the combination of (a) its terms--see, e.g., Eugen Ulmer, The Federal Republic of Germany and the Berne Union, in Copyright, pages 83-86 (March 1986), and (b) the operation of Article VI of the Constitution.

(iv). Other self-executing articles will be matched by current U.S. legislation already putting us in conformity with Berne. Again, see report of ad hoc working group. Understandings with respect to these articles may also be desirable for some reason.

A word or two about the relation of our domestic system to international law may be in order as to why I think (iii) presents problems. In our domestic system, I believe it is agreed that our courts would have the final say about the effect of Berne--over the Senate, the Congress, and the President, who has the duty under Article II, Section 3, to "take Care that the Laws (presumably including treaties) be faithfully executed ...." To be sure, understandings will have a very persuasive effect on our courts. But in the first instance, the question as to whether or not, and what parts of, Berne are self-executing is a question of international law, to which our courts will look where appropriate. International law will have regard to the language of Berne developed since 1886, the intentions of the parties and the negotiating history since 1886, the context in which the treaty was made, and in which we acceded to it, etc.

Here "our intentions" and what "we think," to refer to your questions above, may not be exclusively controlling. So, too, relevant opinions of international tribunals, including the International Court of Justice, and of foreign courts may be cited. Incidentally, Article 33(1) of Berne provides for disputes concerning interpretation to be taken to the International Court of Justice, subject to our reservation to the contrary under Article 33(2). I will refer to international law again, below.

You ask about "other methods" to deal with the problem. One very different approach would be to accede, with delayed effective date, pursuant to Article 29(2)(a) of Berne. This would not solve our problem, but it might serve some purpose, and give us some time--I do not know how it would play out.

* * *

2. The Copyright Office has suggested statutory language that would buttress the conclusion that the Berne Convention is not self-executing. Do you think their draft will do the job?

I take it the language to which you refer is the following at page 10 of the Copyright Office's draft of implementing legislation:

> The Congress finds and declares that the Berne Convention for the Protection of Literary, Artistic and Scientific Works is not self-executing, and the obligations of the United States thereunder may only be performed pursuant to appropriate legislation.

Let me address your questions in two ways.

(i). To the extent that the Berne Convention is self-executing (see above), the suggested statutory language cannot "buttress" the conclusion that it is not.

The situation is a tricky one. Referring to international law, we accept the principle of pacta sunt servanda. The relevant provision of the Vienna Convention on the Law of Treaties, May 22, 1969, which is said to reflect customary law, is Article 26. It reads:

> Article 26. Pacta Sunt Servanda
>
> Every treaty in force is binding upon the parties to it and must be performed by them in good faith.

U.S. practice has always been to carry out and implement treaties as quickly as possible. Article 36 of Berne merely makes the obligation more explicit. As you know, it provides -

> (1) Any country party to this Convention undertakes to adopt, in accordance with its constitution, the measures necessary to ensure the application of this Convention.
>
> (2) It is understood that, at the time a country becomes bound by this Convention, it will be in a position under its domestic law to give effect to the provisions of this Convention.

Article 36 was added at Stockholm in 1967 to make more explicit and strengthen the obligation of Berne signatories, replacing the earlier provision that they "make provision for the legal protection of the rights forming the object of this Convention." This seems plain from the commentary of BIRPI, provided at the request of the government of Sweden, contained in the 1967 conference preparatory documents (Document S/9):

> It would seem that the [earlier] provision could be improved in at least three respects. First, it should be more precise: it should clearly state that a member country must have a law which conforms with the requirements of the Convention rather than state somewhat too generally that protection must exist. Second, there seems to be no reason for limiting the provision--as does the Brussels Act--to countries joining the Union in the future. Conformity with the requirements of the Convention is a continuing obligation and must exist also when a country of the Union ratifies or accedes to a new Act. Third, the requirement seems to be important enough to constitute the subject of a separate Article and not merely of an adjectival dependent clause as it does in the Brussels Act.

Given all this, one wonders a little about the suggestion on page one of the Copyright Office's draft that our current proposed adherence would merely constitute a "mid-course correction...toward the more detailed regulations of Berne."

Addressing the Office's quoted page 10 language more specifically, and referring to earlier points, it does not seem that it can be exclusively for Congress to "find...and declare ..." that Berne "is not self-executing."--in the first instance, it is a question of international law. To be sure, our courts in considering the matter will give great weight to understandings (whether congressional, or senatorial and presidential in form)--but not to the point of making a self-executing treaty non-self-executing.

So, too, the proposed language that "obligations of the United States thereunder may only be performed pursuant to appropriate legislation" is unusual in that it contradicts Article VI of the Constitution, which automatically makes domestic law of self-executing provisions of treaties.

Of course, Congress and the President can always enact legislation to prevail over a treaty in domestic law, but that does not seem to be the point of the Copyright Office's suggestion. Moreover, such legislation would as a matter of international law put us in violation of our Berne obligations at the very time we were sign it, raising the pacta sunt servanda and related points discussed above.

(ii). Your questions suggest one other: is legislation preferable to understandings in the instrument of accession. It may be that legislation would be more effective with U.S. courts, even while seeming more perverse and contradictory in the eyes of our international partners.

* * *

3. The Ad Hoc Working Group report cites the **Mannington Mills** case in support of the conclusion that Berne is not self-executing. As you know, in **Mannington Millc**, the Third Circuit held that the Paris Convention for the Protection of Industrial Property was not self-executing. It based its decision on language virtually identical to that found in the Berne Convention. In your view, what is the precedential value of this case on the question of whether Berne is self-executing?

To the extent that Berne is deemed to be self-executing, the holding and opinion in **Mannington Mills, Inc. v. Congoleum Corporation**, 595 F.2d 1287 (1979) would be inapplicable, and to the extent it is deemed to handle Article 36, it seems mistaken. I have quickly examined the language of the Paris Convention for the Protection of Industrial Property, with which **Mannington** deals, and must confess that to my untutored eye much of it looks self-executing on its face--although I do not know the history, context, etc. Specifically, I do not know the history of Paris Convention, Article 25, which is the antecedent of Berne Article 36.

* * *

The ad hoc working group report suggests that the number of Berne Articles presenting policy problems to us may be rather few. With respect to these, possibly some discussion with WIPO might be useful although I am not sure whether WIPO is in a position to provide authoritative solutions for all the problems. It may also be useful to consult the office of the Legal Adviser at State.

I hope these answers prove helpful.

With personal regards,

Sincerely yours,

Don Wallace

Don Wallace, Jr.

Senator MATHIAS. We will pursue that in just a moment.

Let me start with Mr. Karp and ask him this. The draft report of the ad hoc working group, I understand, has been circulated for comment. Is that correct?

Mr. KARP. That is correct, sir.

Senator MATHIAS. Without going into any detail, what is the tenor of the kind of comments you have been getting?

Mr. KARP. Well, it ranges from approval to disagreement on certain issues. We have not had any adverse comment on the self-executing provision. On that, I might point out that while we can debate this issue on the general principles, it is a question of constitutional law for the courts and the only decision directly on point right now supports the group's conclusion. That is the *Mannington Mills* decision, which is not a general observation, but rather an interpretation of the precise language that is in article 36 of the Berne Convention.

That article was actually taken from the earlier Paris Convention on the protection of industrial property, and the court of appeals, citing earlier cases, said that where an international convention contains provisions which require member nations to enact legislation, it is not self-executing.

There are other principles of construction that we think apply here, particularly the tremendous incongruity between a complex copyright statute and a world international copyright convention, where there would be so many conflicts that it would be almost unbelievable to conclude that the treaty was intended to be self-executing in a country such as ours.

Again, I must emphasize that this is not a matter of Berne law; this is a matter of U.S. constitutional law. Also, the language that is important here, article 36, was added to Berne long after earlier provisions which some people interpret as having been inserted to make it self-executing.

Those provisions indeed have been interpreted so loosely by WIPO so that they reach the conclusion that it is only self-executing in a country that wants it to be self-executing. I think we do not have a real self-executing problem. I also think that it would be resolved by a Senate statement that it is not self-executing, which is supported by tradition in other treaties. It is my recollection, based largely on what I have been told by experts in the Copyright Office, that every bill introduced for U.S. adherence to Berne has reflected the view that the treaty is not self-executing.

It is a question we have to deal with and I do not think the ad hoc report was intended to be the last and conclusive analysis of it. But the Copyright Office does have this 65-page intensive study of the question which comes out the same way we do.

Senator MATHIAS. Let me ask the panel at large this question. This issue, as I said earlier, has been before us several times. The Congress has had several opportunities to adhere to the Berne Union and has never done so. Each time, we have failed to take the last step.

Is there any lesson that can be drawn from this history? Is there a larger gap between the U.S. copyright law and the Berne standards today than there was on the previous occasion when we failed to make the step? Are we more likely or less likely to take the step today?

Mr. **Karp**. I will jump. The reason there is more pressure today is that we are in much more trouble abroad. Piracy is endemic and epidemic all over the world. Our American industries that export much more than they import in the way of books, movies, records, and everything else have discovered that unless we become part of this Berne Convention, this international convention, we are in serious trouble.

As a result, some of the groups that in the past opposed U.S. entry to Berne and probably helped block it, are now supporting it, as you will probably hear in testimony that follows.

Actually, our copyright law is not further away from Berne. It is closer because of the 1978 Revision Act—such things as the establishment of life and 50 years as the term of copyright, which makes that term compatible with Berne, and that was indeed one of the major roadblocks until 1978.

Senator **Mathias**. Any other comments on that subject? [No response.]

A lot of attention has been paid to those areas of the law that appear to be incompatible with the Berne obligations, but let us look at the other side of the coin.

How are we compatible with Berne? With respect to term of protection, exclusive rights, fair use—are we in general harmony with the Berne rule in these areas?

Professor **Kernochan**. Yes, it seems to me that we are, with the possible exception of the fair use provision under article 10 of the Berne Convention, which spells out certain possibilities for application of fair use, whereas our own-fair use provisions apply across the board to published and unpublished works.

But it seems to me that these are very soluble problems and should not constitute a barrier to adherence to Berne, if attended to, as they should be, I think, in the course of dealing with formalities and registration.

Senator **Mathias**. As I understand it, the ad hoc group has identified five areas that would be necessary to comply with Berne: the jukebox compulsory license, which has haunted me for 25 years in Congress——

[Laughter.]

Senator **Mathias** [continuing]. The manufacturing clause, the requirement for a notice of copyright, some of the aspects of registration requirements, and the requirement that copyrights originating prior to the 1976 copyright revision must be renewed.

I believe those are areas, Mr. Karp, that the ad hoc committee identified.

Mr. **Karp**. That is correct, sir.

Senator **Mathias**. Professor Kernochan might add moral rights; he might add work for hire.

Professor **Kernochan**. Do you wish me to speak to that, sir?

Senator **Mathias**. Yes.

Professor **Kernochan**. I think at the moment we have a draft and we are talking about, complying with Berne, that the ad hoc committee's conclusion that our level of protection is sufficient is where we should start.

In an ideal world, one might think of improving this and other aspects of the copyright law, but I think we are sufficiently compatible, considering the pattern of other Berne countries, to join on the problem of moral rights.

Senator **Mathias**. It would be your advice to close your eyes, hold your nose and jump?

Professor **Kernochan**. Yes, sir. [Laughter.]

But I would not want to foreclose coming back at some later time as part of a greater general effort to see what we can do about our own law.

Senator **Mathias**. Of course, one of the problems from the congressional point of view is that there are people who have vested interests in these various individual issues, and they not only vote on their own issues, but they also may vote on the question of adhering to the union.

That is why I think we have to make some practical estimate of their importance. Which of those various issues do you think would be the most difficult, any one of you?

Mr. **Karp**. Well, I think it is obvious that the jukebox clause would be one, although it really should not be because there, certainly, the two-tier system would eliminate from the jukebox point of view the greatest threat to adherence.

The manufacturing clause—I will be candid; it is a problem because the manufacturers and the unions are going to get it passed again. On notice, there is not really a problem. The Copyright Office proposal is to dispense with the requirement of notice on works of foreign origin, and that would not, I think, create much opposition.

I think it is not wise to limit the change to those works, but again, as a pragmatic matter, if push came to shove, that would be a solution.

Registration—the Copyright Office has a more tolerant view of our present registration system than we do. The ad hoc committee disagrees with the Copyright Office's position, but that is a very unimportant part of the problem.

I think that the registration requirements could be changed, at least for works of foreign origin and probably for all, but in the former instance not with any real opposition.

And as far as renewal goes, I do not think that is a problem, except for refining technical ways of dealing with it.

Senator **Mathias**. On the manufacturing clause, I would just enter one small caveat. The threats of retaliation against exports of paper, tobacco, and other products are more real today. Just as you say the problems of all the holders of intellectual property are more real today, the threats of retaliation are more real today.

It is anyone's guess at this point, but it could be that these threats might trigger 34 Members of the Senate into opposition. That is the magic number.

Mr. **Karp**. Well, I think they could and I think they should. We are opposed to the manufacturing clause.

Senator **Mathias**. And I would be one of them, so you only need 33 more. [Laughter.]

Mr. **Karp**. The fact is that the proponents of the manufacturing clause take no account of the factor of retaliation, and to their great detriment, too.

Senator **Mathias**. But Members of the Senate here who represent other interests will, of course, be either aware of it or, I assume, be made aware of it.

Mr. **Karp**. Well, I hope some of the sponsors of the manufacturing clause bill realize that.

Senator **Mathias**. Professor Wallace, I understand that your position is that the American courts will probably give great weight to the intentions of the parties when determining whether or not a treaty is self-executing.

How should the Senate best express its intentions in this regard? We have to take into account, because of the manufacturing clause, that we have other things waiting in the wings. That is what complicates this whole picture, that we have to look at in a comprehensive way.

We have got to give some weight to the views of the House of Representatives, and they would express their views not on the treaty itself because they do not have that constitutional role, but the implementing legislation certainly gives them an opportunity for expression.

Professor **Wallace**. I always recommend prayer as the first solution to all problems and analysis as the second.

Speaking generally with respect to the question of intention, of course, the Senate can say anything that it wishes to say, and the Executive will be influenced by that and the courts will be aware of the record. But I think the problem is a little more difficult, especially as the convention is interpreted to give us very limited rights of reservation on accession.

Something that Mr. Karp said seemed to suggest that the wish might be the father of the thought. Because of these practical problems that you have been discussing in the last few minutes, I gather that it would be advantageous for some quarters if the treaty were not self-executing, but to say that is not to make it not self-executing.

Referring to Mannington Mills, courts can be and have been wrong—often, in fact, unfortunately. Now, I do not know the facts of that case that well. I do not know the Paris Convention. I do know that article 17 of the Paris Convention is very similar to, and indeed inspired article 36 of the Berne Convention at Stockholm in the amendment in 1967.

But that is not all there is to the Berne Convention, and indeed as I pointed out in my written testimony, the Berne Convention was drafted over 100 years on 8 or 10 occasions—by human beings, who make mistakes, and are not always consistent, most are not.

It is quite clear to me that they did not think out the relationship of all these provisions to each other, especially for the benefit of a U.S. judge.

To get to your specific question, Mr. Senator, I think that what probably you have to do is work through the Berne Convention provision by provision, relating it to domestic U.S. problems—jukeboxes, et cetera, provision by provision.

Where it is decided that the Senate is not to be trusted to bring these changes through accession, assuming that the treaty is self-executing, you would presumably make provision for deliberation in both Houses, and given the apparently limited right to reserve, you might state that our understanding of article 36 is that we have got time to work these things out, or you recommend to the executive branch—and indeed you can put it in your resolution, I suppose, of accession—that our accession will only be effective in 1 year, 2 years, or 3 years. I think you just work it out section by section.

To the extent that the proprietors of the Berne Convention are happy to have the United States accede to it, as I would hope they would be, I think they would understand how our system works.

But I do not think I would substitute for the process—and this is the process in many treaties, et cetera, as we know—an analytically incorrect characterization of the operation of the Berne Convention and its self-executing nature.

Mr. **Karp**. I am glad that Mr. Wallace presents the point of view, because I do not ignore it and I think it is something the Senate has to grapple with. But I think we have time, since you are not going to pass this for a couple of months anyway, to consult Professor Henkin and other international law experts. Let us get a pretty good sampling of views.

Having had a little experience in court and knowing that courts make mistakes, I also know that when the decision is flat on, as Mannington Mills is, the only way it is going to get changed is if the Supreme Court changes it with a decision involving another circuit and another case.

The *Mannington Mills* case involves exactly the same issue because the Paris Convention has several self-executing clauses in it, and the point of the decision was that despite the apparent self-executing nature of given clauses, the treaty could not be considered self-executing because of article 17, which is the same as article 36 of the Berne Convention.

Professor **Wallace**. Well, Mr. Senator, not only can courts be wrong, but professors can be wrong, and I think what I would suggest is that the Senate should behave cautiously and responsibly.

Senator **Mathias**. They get reversed less often. [Laughter.]

Professor **Wallace**. But there are professors watching them all the time, sir. [Laughter.]

Actually, my statement is based largely on the proposed revision of the restatement of foreign relations law, the chief reporter of which is Professor Henkin.

I do not think I have said anything about Berne which is particularly personal to me. I think that an academic should call his shots as he sees them, and my observations were based on a fairly careful study of the draft restatement with which I am rather familiar.

Mr. **Karp**. Actually, Professor Henkin said that he even doubts that there should be a self-executing doctrine in our Constitution.

Professor **Wallace**. Of course, that is a totally different matter.

Mr. **Karp**. Well, that would solve our problem if he were right. [Laughter.]

Professor **Wallace**. Not in our lifetime.

Senator **Mathias**. Professor Kernochan, do you want to get a word in on this one?

Professor **Kernochan**. Yes, sir. Professor Henkin is a few doors down the hall from me at Columbia University, and I did take the precaution of running this chapter of the ad hoc committee's report past him.

I do strongly concur in Mr. Karp's recommendation that you should get an opinion from him, but on the first reading he thought the committee was right in saying it could be made non-self-executing.

Senator **Mathias**. Before we move on to the next panel, let me ask you one more question. One of the proposals for providing compatibility has been that we simply make these provisions inapplicable to the works by nationals of the Berne countries or to works first published in countries in Berne territory, so that no change would be needed with respect to works by U.S. authors that are first published here.

We could have that kind of a two-tier system, or we could simply make the changes here which would be universally applicable.

Should we make the minimal changes and create the two-tier system or should we make the more serious, substantial changes which will be probably politically more difficult to achieve, but which would maintain uniformity of treatment?

Mr. **Karp**. As we say in the statement, Senator, this is a very difficult political judgment—political in the sense of how organizations representing copyright owners should deal with this.

But I stress, and I have no compunction about repeating, we have to be candid. A two-tier system is a way to resolve a lot of the political controversy over given provisions. I think that what will happen is that we will probably accept some two-tier treatment and urge the Senate not to apply it in other cases.

We might very well not have our way and end up with more two-tier provisions than we would prefer. But I think we must not lose sight of the fact that the purpose of this exercise is to join Berne and improve our copyright protection abroad.

That does not close the door, as Professor Kernochan pointed out, to continuing efforts by American authors and publishers and producers to improve specific provisions of the Copyright Act that are not now satisfactory, just as Mr. Boucher is trying to unimprove another provision of the law, and that will keep going on, too. By the way, his effort might make it more difficult to achieve compatibility with Berne.

Senator **Mathias**. On that note, we will end this panel. Thank you for your attendance here. I wish we could continue this dialog, but we will have to move on to the next panel.

The second panel includes Ms. Carol Risher, Mr. Norman Alterman, Mr. Leonard Feist, Mr. Victor Henriques, and Mr. Morton Goldberg.

While they are assembling, we are going to take about a 2-minute recess. I will be right back.

[A brief recess was taken.]

Senator SPECTER [presiding]. We will reassemble. Senator Mathias will be absent for only a moment or two and has asked me to proceed with panel two.

At this time, we will proceed with Ms. Carol Risher, Director of Copyrights; Mr. Norman Alterman, vice president of the Motion Picture Association of America; Mr. Leonard Feist, former president of the National Music Publishers Association; Mr. Vico Henriques, president of the Computer & Business Equipment Manufacturers Association; and Mr. Mort Goldberg, counsel for the Information Industry Association.

We welcome you here and look forward to your testimony, and we shall start with Ms. Risher.

STATEMENT OF A PANEL CONSISTING OF: CAROL RISHER, DIRECTOR OF COPYRIGHT, ASSOCIATION OF AMERICAN PUBLISHERS, WASHINGTON, DC; NORMAN ALTERMAN, VICE PRESIDENT, MOTION PICTURE ASSOCIATION OF AMERICA, INC., WASHINGTON, DC; LEONARD FEIST, FORMER PRESIDENT, NATIONAL MUSIC PUBLISHERS' ASSOCIATION, NEW YORK, NY; VICO E. HENRIQUES, PRESIDENT, COMPUTER & BUSINESS EQUIPMENT MANUFACTURERS ASSOCIATION, WASHINGTON, DC; AND MORTON DAVID GOLDBERG, PROPRIETARY RIGHTS COUNSEL, INFORMATION INDUSTRY ASSOCIATION, WASHINGTON, DC

Ms. RISHER. Thank you. Ambassador Nicholas Veliotes, the incoming president of AAP, regrets that he cannot be here today to present the position of the association. He does not assume office until May 1, so I will appear in his stead. But I assure you that my presence does not reflect any diminution of the intensity of these views.

The AAP strongly supports the U.S. adherence to the Berne Convention. However, the association must express its concern that Berne adherence not become a device that intentionally or inadvertently disrupts domestic law in a fashion that will require changes in the way American publishers do business or interfere with existing or future contractual relationships.

Our support for Berne adherence is based on the following principal considerations. The market of the American publishing industry and the copyright community itself is increasingly a global one. We cannot afford to view copyright matters on a parochial, national basis.

Just as our markets have become international, so too have the problems and issues faced by copyright in a technological era. The United States has properly sought to assume a leadership role in the exploration and resolution of these issues, but the plain fact is that within the world copyright community our country's stature and influence have remained substantially diminished by our continued failure to adhere to the most important international copyright convention and to assume the obligations accepted by the members of the Berne Union.

Three new laws passed last Congress attempt to stem the wave of foreign piracy of American-copyrighted works—the CBI, the GSP Renewal Act, and the International Trade and Investment Act.

In these measures, this administration and the Congress make clear their intent to protect American copyright proprietors abroad by encouraging foreign countries to adopt new and improved copyright laws.

The AAP has been a major participant in the development and implementation of these efforts and is deeply appreciative of the commitments made by our Government. Yet, this country's failure to adhere to the Berne Convention has been repeatedly tossed back by pirate nations as precedent for low-level or no protection of our works.

Another reason for Berne adherence is the inadequacy of the U.S. current multilateral copyright relationships based principally on the Universal Copyright Convention administered by Unesco. The UCC provides a lower level of protection than the more detailed and explicit provisions of the Berne Convention.

Additionally, Unesco's attentiveness to copyright has been diminished by the influence of the Third World, and U.S. withdrawal from Unesco has removed any semblance of effective participation in that agency's copyright agenda and budget.

Adhering to Berne will serve as a meaningful precedent for other countries that have remained outside the multilateral copyright conventions.

For these reasons, we strongly support U.S. adherence to Berne, with one major qualification. Our concern with the effects of Berne adherence is based on the provisions of article 6 bis of the Convention.

This provision is denominated as one according moral rights and as assuring authors' honor and reputation. We do not quarrel with these principles, nor do we wish to tread upon the legitimate interests of individual authors and their creative works.

Instead, our concern is focused on the ambiguity of article 6 bis. Legitimate moral rights of authors are protected under existing domestic law. The equally important interests of publishers are also protected. Adherence to the Berne Convention must not be viewed as a change in this situation. AAP believes that adherence to the Convention must be accompanied by congressional and administrative assurances of the following:

One, that the Convention is not viewed as self-executing; that it does not override domestic law nor be construed based upon other countries' legal principles.

Two, that our Government views existing law as fully compatible with article 6 bis and intends no change in our law, whether as a legislative or judicial matter.

Three, that the U.S. Government believes moral rights can be dealt with as a matter of contract, understanding, custom, or the like.

Four, that in the case of works for hire, the employer, as contemplated by the Copyright Act, is entitled to all the legal prerogatives of authorship.

Mr. Chairman, if I may make one additional point, we must take note of article 17 of the Berne Convention that appears to permit foreign censorship laws. While this is not unprecedented in international conventions, the AAP wishes to make clear our hope that the Government will clearly stipulate that adherence to the Convention in no way implies support for censorship.

Thank you.

[Ms. Risher's submission for the record follow:]

PREPARED STATEMENT OF CAROL RISHER

I am Carol Risher, Director, Copyright, Association of American Publishers ("AAP"). The Association appreciates the opportunity to appear before you this morning, to present its views on the question of this country's adherence to the Berne Convention.

The AAP strongly supports the United States' adherence to Berne for the reasons discussed below. However, the Association must express its concern that Berne adherence not become a device that, intentionally or inadvertently, disrupts domestic law in a fashion that will burden publishers with colorable claims, require changes in the way American publishers do business, or interfere with contractual relationships.

Our support for Berne adherence is based on the following principal considerations:

- The market of AAP member companies, indeed, the copyright community itself, is increasingly a global one. In an age of rapid hard-copy transportation of works, instantaneous world-wide electronic transmissions, and multi-national licensing transactions, we cannot afford to view copyright matters on a parochial, national basis. The need to view copyright on an international scale is not limited to AAP member companies, nor even to the interests of other copyright proprietor groups in this country. It must be emphasized that copyright is a vital social force, ensuring freedom of expression and exposure of the culture and ideals of our free society throughout the world.

- Just as our markets and the fora for expressing American ideas and ideals have become international, so too have the problems and issues faced by copyright in a technological era -- matters pertaining to computer program protection and use, photocopying, and the like are increasingly felt in all countries and are deliberated at the international level within the Berne Union, with effects reflected in innumerable national laws and practices. The United States has, properly, sought to assume a leadership role in the exploration and resolution of these issues; but the plain fact is that within the world copyright community our country's stature and influence have remained substantially diminished by our continued failure to adhere to the most important international copyright convention, and to assume the obligations accepted by the members of the Berne Union. (Of course, we can continue to secure protection for domestic works in Berne countries through the "back door" of simultaneous publication, but to do so only emphasizes our national failure and contributes to our lack of stature and meaningful influence.) It is, in short, time -- and in the interest of all who are touched as creators and users of copyrighted works -- that this country assume the leadership role in the world copyright community to which it has, in the eyes of many, only pretended.

- Most recently, a new dimension has been added to this question. During the last Congress, three new laws were adopted to stem the debilitating wave of foreign piracy of American books and other copyrighted works. In these measures, and in related contexts, this Administration and the Congress have pledged their efforts to protect American copyright proprietors abroad. The AAP has been a major participant in the development and implementation of these efforts and is deeply appreciative of the commitments made by our Government in this area. Yet in a refrain constantly sounded by U.S. Government negotiators and experienced first-hand by our Association's own representatives, this country's failure to adhere to the Berne Convention has been repeatedly tossed back as exemplifying our own failure to accept full participation in the world copyright community, and as precedent for low-level, if any, protection of our works. We must, in sum, come to practice what we preach.

- At present, the United States' multilateral copyright relationships are based principally on the Universal Copyright Convention (UCC), administered by UNESCO. The UCC is commonly acknowledged to provide lesser assurance of effective protection than the more detailed and explicit provisions of the Berne Convention. Additionally, UNESCO's attentiveness to copyright and the pertinent concerns of developed countries has long been substantially diluted in the context of its multi-faceted programs and its national composition and goals; and the United States' withdrawal from that agency has removed even any semblance of effective participation in its copyright agenda and budget. Adherence to the Berne Convention will bring the United States into direct participation in a high-level copyright treaty, administered by an experienced secretariat oriented precisely toward intellectual property matters. It will also serve as a meaningful precedent for other countries that have remained outside the multilateral copyright conventions, or adhered only to the lower-level UCC.

Our concern with the effects of Berne adherence is based on the provisions of Article 6 bis of the Convention. This provision is denominated as one according "moral rights" and as assuring authors' "honor and reputation." We have no quarrel with these principles as such, nor any wish to tread upon the legitimate interests of individual authors in their creative works. Our concern is, rather, focused on the fundamental ambiguity of that article. As examples only, our members cannot properly conduct their businesses under the cloud of essentially subjective judgments -- and resultant claims and disputes -- as to whether a particular revision of a school textbook or other particular work, consented to by the author or sanctioned by custom or circumstance, is a "distortion;" nor should they be forced to deal with assertions that they have violated legal norms by not identifying one of many individual contributors to a work, produced at the initiative and under the coordination of the publisher, as an author.

We believe that legitimate "moral rights" of authors are protected under existing domestic law, that the equally important interests of publishers are also protected, and that existing law and publishing practice in this country are fully capable of drawing such lines and balance as may be appropriate in particular instances. Adherence to the Berne Convention must not be viewed as a change in this situation. More specifically, the AAP believes that adherence to the Convention must be accompanied by Congressional and Administration assurance: that the Convention is not to any extent "self-executing," whether in the sense of providing a new body of law, based directly on the Convention as opposed to existing domestic law, or even in the sense of cloaking other countries' legal principles with formal or informal precedential effect; that our Government views existing law as fully compatible with Article 6 bis and intends no change in such law, whether as a legislative or judicial matter, and that adherence should not be considered support for future modifications; that "moral rights" can be alienated, modified, or otherwise dealt with as a matter of contract, understanding, custom or the like; and that, in the case of "works for hire," the employer, as contemplated by the Copyright Act (whether a particular issue may arise under that law or under common law principles), is entitled to all the legal prerogatives of authorship.

The Association of American Publishers believes that Berne adherence is an important goal for all creators -- authors and publishers -- of intellectual property; and we believe existing law amply deals with the relationships among such creators so that this goal can be attained without change in existing legal principles or disruption of existing practices. If our understandings are confirmed, we look forward to stepping into the future of international copyright -- through the front door.

WRITTEN QUESTIONS FOR MS. RISHER

SUBMITTED BY SENATOR MATHIAS

1. Has our absence from Berne hurt any U.S. copyright objectives? Has it been raised by other countries against our request that they accord us reasonable kinds of copyright protection?

2. The Berne Convention has been in existence for a century now; yet U.S. copyright holders have built important markets in many foreign countries. How has our absence from the Berne Convention hurt us?

3. Is there any perceptible dfference between the copyright laws and the quality of copyright protection in those developing countries that belong to Berne and those that belong only to the Universal Copyright Convention (UCC)? How well has Berne done in the Third World? Has the UCC been widely accepted there?

4. Most major countries that belong to the UCC also belong to Berne. U.S. works receive the benefits of Berne protection in these countries, since the UCC requires national treatment, i.e. you must treat the works of foreign authors the same as your own. Why can't we go on this way? Given the openness of our markets, is there really any practical reason why this arrangement can't continue? In other words can't we get the benefits of Berne without having to incur any of the costs through changes in our domestic law?

5. Everyone is interested in the special copyright problems which are presented by new technology. How would adherence to Berne affect our ability to respond to these challenges?

6. In terms of work-for-hire, are we looking at a serious legal conflict between our law and Berne obligations, or does Berne try to leave room for countries such as the U.S. to maintain their long-standing rules governing work-for-hire and copyright ownership-authorship?

7. Your testimony strongly urges that Berne not be considered a "self-executing treaty." Can you be more specific about the problems that you fear if the circumstances of our adherence to Berne don't specifically rule out the possibility of self-execution?

8. Our law requires that published copies of works bear notice of copyright. This requirement has long been recognized as a formality and hence incompatible with Berne. While one of the obvious ways of making our law compatible with Berne would be to eliminate it completely, it does serve a useful purpose. Please comment on two suggestions made in the Copyright Office draft proposal: 1) exempting all works originating in a Berne Union country; 2) eliminating notice as a formality but creating other statutory incentives for giving notice.

9. The fair use exemptions in copyright are very important to education. We have a fairly well-established set of exemptions for teaching and individual research. What is the Berne approach to fair use? Is it incompatible with our own?

10. The Ad Hoc Working Group identified the renewal and durational provisions as incompatible with Berne. The Copyright Office suggested amending the law so that authors of works first published in a Berne nation would be exempt from the formality of

mandatory registration for renewal purposes. Implementing this proposal would discriminate against American authors; on the other hand, only a narrow class of authors would be affected. Please comment.

11. Experts are divided on whether U.S. registration of copyright is incompatible with Berne. Assuming the Ad Hoc Group's assessment of incompatibility is correct, two options are available: (1) require registration for enforcement of copyright non-Berne works; or (2) replace mandatory registration with procedural and remedial benefits that would encourage registration. Other Berne countries, such as Canada, India and Mexico, presently use permissive registration as evidence of copyright validity. Nevertheless, any modification of the present registration scheme could be to the detriment of the Library of Congress. Which option would you prefer?

12. The Ad Hoc Working Group identified the notice formality as incompatible with Berne. A solution proposed by the Copyright Office was to dispense with requiring notice on works of foreign origin. Elimination of the notice requirement would save money now spent on its administration, and dispose of the burdensome task of placing copyright notices on information products and services. But the notice provision has facilitated the resolution of conflicting transfers, the reversion of rights after termination, and the acquisition of permission to use a work. If the above proposal is adopted, how might the present benefits of notice be retained?

* * *

BERNE ADHERENCE -- RESPONSES OF THE ASSOCIATION OF AMERICAN PUBLISHERS

1.(a) The United States' absence from the Berne Union has substantially diminished the stature and influence of this country in seeking resolution of multi-national copyright issues, and has impeded U.S. government and private sector efforts to increase protection of American works abroad. Additionally, by subjecting U.S. works to the need for "simultaneous publication" in order to secure protection in Berne countries (outside of the low-level UCC and existing bilateral relationships in some cases), our non-adherence has impaired clear assurance of protection and inhibited prompt remedial action by local enforcement authorities.

(b) Both U.S. Government spokespersons and the AAP's own representatives have faced claims by representatives of other countries that the United States' failure to adhere to the Berne

Convention is inconsistent with our efforts to upgrade protection of U.S. works abroad.

2. The "markets" referred to are increasingly being eroded by piracy of U.S. copyrighted works. As matters of substantive law, effective procedures, and -- importantly -- appearance, adherence to Berne is an important component of current efforts to combat such piracy. As indicated in response to question 1, our absence from Berne has impeded these efforts.

3. In its treatment of "minimum rights" and freedom from formalities, developing countries that adhere to the Berne Convention are subject to higher standards than those belonging only to the UCC. Administration of the UCC by UNESCO is also less attentive to copyright in general, and to the concerns of developed countries in particular, than is that of the Berne Convention by WIPO. Some developing countries have in the past adhered to one or both of the Conventions. In the context of current anti-piracy efforts, however, it appears that developing countries are increasingly drawn to the less protective UCC -- a movement the United States is in a difficult position to stem while it itself remains outside the Berne Union. Finally, even in cases where a developing country has adhered to the Berne Convention but its laws or practices are such as to raise questions of meaningful compliance with that treaty, this country's absence from the Union prevents it from raising effective objection.

4. The United States' historic position of "get[ting] the benefits of Berne" without assuming its obligations is the hallmark of others' perceptions of this country's role in international copyright, and -- as indicated above -- has contributed to our lack of real stature and influence in international copyright affairs. Moreover, this device is unavailing in seeking meaningful protection in those major centers of piracy that have so far remained outside of both conventions. In these cases the United States' unwillingness to

accept full participation in the world copyright community is seen as contrary to its efforts to encourage effective protection.

5. Representatives of both the U.S. Government and the World Intellectual Property Organization have testified that Berne is not a "strait jacket" that inhibits reasonable legislative responses to the issues of new technology. Indeed, members of the Berne Union have led the way in responding to such issues as unauthorized "private" recording and photocopying of copyrighted works.

6. As concluded by the Ad Hoc Working Group on U.S. Adherence to the Berne Convention, it is clear that U.S. law pertaining to authorship and ownership of copyright in "works for hire" is entirely compatible with the Berne Convention.

7. If the Berne Convention were considered "self-executing" it would engender uncertainty in legal relationships and business dealings in several areas -- and would pose the possibility for de facto amendments to U.S. copyright law without opportunity for meaningful Congressional reflection and private sector consideration. In its testimony, the AAP expressed particular concern about self-execution in relation to Article 6 bis of the Convention. If the ambiguous provisions of that Article become "domestic law" simply by reason of adherence, unfounded claims and, perhaps, misplaced court decisions could jeopardize customary business dealings, commonplace expectations, and contractual relationships in this country.

8 & 12. It is apparent that the notice requirements must be eliminated to permit Berne adherence. The AAP believes that this should apply to all works, and is generally opposed to purported solutions that discriminate against American copyright owners in their own country. The so-called "useful purposes" will be served in any event, as the pertinent bibliographic indicia referred to (names of author, publisher and year of publication) will continue to be used. With the adoption of divisibility of

copyright and a general term of protection based on the life of the author, notice as a definitive guide to copyright status and ownership -- to the extent it ever existed -- has disappeared; in any event, the loss of valuable rights for failure to use a certain marking is an anomaly that should finally be removed.

The AAP is also quite concerned about the notion that "other statutory incentives" be created for giving formal notice. As indicated, such incentives are unnecessary. Additionally, to the extent such "incentives" will impact on the rights or remedies of copyright owners, or procedures for prompt, effective relief, the misconceived notion of copyright notice will only have reapppeared in another guise; as we note below in connection with registration, the principle of "incentives" for formalities that affect rights, remedies, or procedures is itself of questionable (at the least) validity under the Berne Convention and -- most importantly -- creates a precedent that could substantially impair prompt, meaningful protection of U.S. work in other countries.

9. The Berne Convention offers sufficient leeway for principled applications of "fair use" by permitting exceptions from exclusive rights that do not conflict with the reasonable expectations of copyright owners. See, e.g., Articles 2 bis(2), 9(2), 10(1), 10(2), 10 bis. These exceptions are compatible with our fair use doctrine in education. E.g., Article 10(2).

10. The AAP would prefer to give the question of copyright renewal further attention and reserve comment at this time.

11. The AAP is in agreement with the conclusion of the Ad Hoc Group that registration as a condition to enforcement of copyright is incompatible with the Berne Convention. As indicated above in connection with copyright notice, we also are opposed to a system that would retain this requirement for non-Berne works only. The AAP strongly urges a system of entirely permissive registration: those who choose to register would have the advantage of prima facie evidentiary effect; those who choose

not to do so would be able to pursue all rights and remedies without that advantage.

However, the AAP is quite concerned with the suggestion that other "procedural and remedial benefits" would be devised to "encourage registration." Other than the evidentiary effect attaching to a registration certificate, conditioning any "procedural and remedial benefits" on copyright registration could (a) be inconsistent with the Berne principle that the "enjoyment and exercise" of rights be free of formalities; and (b) create a precedent for interpretation and application of the Berne Convention by other countries (and for the adoption of "procedural" formalities by non-Union countries) that would be wholly inconsistent with the very objectives of our adherence in prompting meaningful, prompt copyright protection in national laws. As recently stated in the "Views of the Copyright Industries" on "U.S. Government Trade Policy" (International Intellectual Property Alliance, July 1985):

> "The emerging international trend is to eliminate any formalities. Onerous formalities, whether substantive or procedural, can make the right "to secure, to exercise and to enforce" exclusive rights, as a practical matter, unavailable. The Berne and Universal Copyright Conventions deal only in general terms with these problems. Nevertheless they remain one of the principal hindrances to effective protection abroad.
>
> These formalities can include:
>
> - onerous bonding requirements applicable only to foreigners (or to both foreigners and local citizens) for the right to pursue local judicial remedies;
> - burdensome documentary and evidentiary requirements to prove ownership or transfer of rights; and
> - burdensome registration and/or deposit requirements.
>
> The U.S. Government must seek to negotiate changes in these legal and administrative requirements to minimize their adverse impact on U.S. nationals."

* * * * *

The AAP is in the process of reviewing the "Discussion

Draft" of implementing legislation in greater detail, and offers the following preliminary comments at this time.

A. Retroactivity. The Association is considering the impact of these alternatives on its members. At this point, without indicating a preference for either approach, we have several questions concerning Alternative "B": (i) whether registration as a condition to retroactive protection is compatible with Berne; (ii) in any event, whether registration as a condition to retroactivity is not inconsistent with, and potentially counterproductive to, current efforts to obtain meaningful retroactive protection of U.S. works in piratical countries; (iii) whether the intent and language of the draft "savings" provision (Alt. B, ¶(b)(4)) would permit new forms of exploitation (e.g., in electronic form) of previously created copies; (iv) the precise meaning of "in the public domain . . . other than by reason of the expiration of the term of protection" (e.g., would a Berne-origin work that was "in the public domain" in the U.S. for absence of copyright notice or national eligibility on first publication, but that was first published more than 28 years ago [and not renewable according to Copyright Office practice] or more than 75 years earlier, and hence beyond a "term" of protection in either case, be subject to retroactive protection?).

B. Moral Rights. For the reasons given in its testimony of April 15, the AAP strongly urges adoption of the spirit of Alternative A -- i.e., a maintenance of the status quo. However, we have some question about the current draft language: (i) it appears that the provision should expressly refer to the "author" of a work, as well as the owner of copyright; (ii) the intended effect of this provision on state law is unclear: the text seemingly refers to freezing the common law and state statutes; but the explanation expressly "leave[s] the further development, if any, of moral rights to state jurisprudence." It remains the position of AAP that existing law and publishing practice adequately deal with issues of "moral rights" and that adherence to Berne imports no change in this situation.

C. Self Execution. As stated in its testimony of April 15, the AAP urges that adherence be accompanied by the strongest assurances and declarations of intent that the Berne Convention is not self-executing.

D. Copyright Notice and Registration. Please see the answers to the pertinent questions above.

Senator SPECTER. Thank you very much, Ms. Risher.

We now turn to Mr. Norman Alterman, vice president of the Motion Picture Association of America.

STATEMENT OF NORMAN ALTERMAN

Mr. ALTERMAN. Mr. Chairman, today I appear before you deeply grateful that we have come at last to a consideration of U.S. accession to the Berne Copyright Convention.

At the outset, I proclaim unequivocally my firmly rooted conviction that the time has come for the United States to join the rest of the world in copyright matters by adherence to the Berne Copyright Convention in its centenary year.

The experience of the motion picture industry abroad, particularly in the countries of the Pacific Rim, is that even where protection can be obtained under the Universal Copyright Convention, the UCC, or through the so-called back-door Berne, it is often illusory or unsatisfactory.

Protection under the UCC is on the basis of national treatment with virtually no minimum standards. Inadequate protection, therefore, is possible, is common, and is equal to no protection at all.

On the other hand, back-door Berne protection requires incredibly voluminous proof to establish, if it can be established at all. The cost of witness and document production is staggering, always discouraging, and frequently in excess of the value of the action.

Back-door Berne requires a showing that first public communication of a work in a Berne country such as Canada or the United Kingdom took place simultaneously, with first public communication in this country.

For this purpose, "simultaneous" sometimes means identical, and sometimes only within 30 days. Hence, recordkeeping is a full-time job.

Ten years ago, we revised our copyright laws to more closely conform to the mainstream thinking of the countries traditionally concerned about copyright—the Berne Convention countries. Thanks to that revision, we are now in a position to join with those countries on a coequal basis.

Not every provision of our current copyright law comports favorably with its convention counterpart, but I believe that adherence is not precluded. As a member of the ad hoc committee appointed by the State Department to consider this question, I listened faithfully to the various views of my learned colleagues on this question: Does existing U.S. law permit adherence? I agree that it does.

I also recognize that without any further action affecting U.S. nationals or affecting works first published here, we could afford full Berne protection to foreign works even if this created a dual system of copyright protection in this country.

Such a dual system could be very appealing to someone seeking a quick fix. I recommend rejection of this option of the ad hoc committee report.

It is, in my view, particularly imperative, that we now seize this opportunity to demonstrate to our trading partners just what it is that we mean when we insist that they provide adequate and effective protection for U.S. intellectual property in their countries.

At the same time, we can send a signal that we expect no more of them than we ourselves are willing to give. As one who has also participated in the current movement to bring into the GATT both the protection of intellectual property and the protection of services, I have been privileged to have a somewhat unique view of the issues. I see them as one and the same.

It is not possible for me to differentiate between the move to broaden GATT, the utilization of our trade legislation to exert bilateral pressure on our trading partners, and the proposal on the table this morning to adhere to the Berne Convention. They are intimately intertwined. All are necessary at the same time if any is to be effective.

Should we ratify Berne, I believe that many of our trading partners who are not now affiliated with Berne would adhere. Now, they simply ask us how we can advocate adequate and effective protection without ourselves offering Berne coverage.

In addition to setting an example for our trading partners, I believe it is absolutely necessary for us to embrace this possibility to put our own house in order by providing at home the same level of adequate and effective protection for intellectual property that we demand abroad.

Obviously, much work remains to be done. I propose we get on with it now.

[Mr. Alterman's submissions for the record follow:]

PREPARED STATEMENT OF NORMAN ALTERMAN

Mr. Chairman, Members of the Committee, my name is Norman Alterman. I am a Vice-President of the Motion Picture Association of America, Inc., whose members are producers and distributors of filmed entertainment material for exhibition in cinemas, on television, in other public places and in the home. A list of the MPAA members is attached to my statement. They distribute feature films, television programs and home video materials in the United States and some 80 foreign countries. The export activity of the U.S. motion picture industry as a whole contributes over $2 billion annually to this country's foreign exchange earnings.

Today, I appear before you, deeply grateful that we have come at last to a consideration of U.S. accession to the Berne Copyright Convention. At the outset, I proclaim unequivocally my firmly rooted conviction that the time has come for the United States to join the rest of the world in copyright matters by adherence to the Berne Copyright Convention in its Centenary Year.

Ten years ago, we revised our copyright laws, to more closely conform to the mainstream thinking of the countries traditionally concerned about copyright, the Berne Convention countries. Thanks to that revision, we are now in a position to join with those countries on a co-equal basis. Not every provision of our current copyright law comports favorably with its Convention counterpart, but I believe that adherence is not precluded.

As a member of the Ad Hoc Committee appointed by the State Department to consider this question, I listened faithfully to the various views of my learned colleagues on this question - does existing U.S. law permit adherence? I agree that it does. I also recognize that without any further action affecting U.S. nationals or affecting works first published here, we could afford full Berne protection to foreign works, even if this created a dual system of copyright protection in this country.

Such a dual system could be very appealing to someone seeking a "quick fix". However, I oppose that solution as vigorously as I endorse adherence. This country has assumed a leadership position in the protection of intellectual property. We have long accepted the principles of national treatment and reciprocity in foreign affairs, especially in treaties. These two principles tend to come together in the Berne Convention with its notions of minimum standards superimposed upon national treatment. The minimum standards thus become the reciprocity when embedded in the concept of national treatment. Every other signatory is the most favored nation.

Any dual standard for the governance of conduct and particularly for the delineation of legal rights is inherently unjust and, contrary to the American way of life. Only a single standard can and should be adopted. We have before us examples in the efforts that produced the many uniform laws legislated by the States of this nation, the efforts to harmonize practices, the efforts to find national standards. In the midst of that ecumenical spirit, a dual system of copyright simply has no place. I would reject this option of the Ad Hoc Committee Report.

It is, in my view, particularly imperative that we seize this opportunity to demonstrate to our trading partners just what is is that we mean when we insist that they provide "adequate and effective" protection for U.S. intellectual property in their countries. We have an ideal occasion to produce the perfect example of just what we mean. At the same time, we can send a signal that we expect no more of them than we are ourselves willing to give.

As one who has also participated in the current movement to bring into the GATT both the protection of intellectual property and the protection of services, I have been privileged to have a somewhat unique view of the issues. I see them as one and the same.

It is not possible for me to differentiate between the move to broaden GATT, the utilization of our trade legislation to exert bilateral pressure on our trading partners, and the proposal on the table this morning to adhere to the Berne Convention. They are intimately intertwined. All are necessary at the same time if any is to be effective.

In addition to setting an example to our trading partners, I believe it is absolutely necessary for us to embrace this possibility to put our own house in order, by providing at home the same level of "adequate and effective" protection for intellectual property that we demand abroad. Only one, too well known example need be mentioned - the ubiquitous manfacturing clause. This is precisely the kind of non-tariff trade barrier that the motion picture industry has fought for so long and so hard around the world. And in this fight, we cannot even point to American law as a guidepost on the subject.

Obviously, much work remains to be done. It appears that adherence to the Berne Convention would not be self-executing under U.S. law. Legislation will be required. The longer we delay addressing this issue, the longer we delay solving the problems that might exist. Now is the time for ratification. Now is the time to get to work on the implementing legislation. Now is the time.

Many questions will arise. Particular problems will appear. Individual descrepancies will have to be addressed. This can and should be done in the course of shaping the implementing legislation, not before ratification. Such details should not be permitted to divert our course. We have long needed the additional protection the Berne Convention affords abroad to U.S. Intellectual property. It should not be denied to American exporters any longer.

Gentlemen, I implore you - let's get on with it. Let's do it now!

Attachment A

The ten members of the Motion Picture Association of America, Inc. are:

Columbia Pictures Industries, Inc.
DeLaurentiis Entertainment Group, Inc.
Walt Disney production/Buena Vista
  Distribution Co., Inc.
MGM/UA Entertainment Co.
Orion Pictures Corporation
Paramount Pictures Corporation
Twentieth Century Fox Film Corporation
United Artists Corporation
Universal City Studios, Inc.
Warner Bros. Inc.

MOTION PICTURE EXPORT ASSOCIATION OF AMERICA, INC.
1133 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10036

PHONE 212/840-6161
TELEX 236317 CABLE MOPEXAS
TELECOPIER 212/391-9239

May 5, 1986

The Honorable Charles McC. Mathias, Jr.
Chairman, Senate Judiciary Subcommittee
on Patents, Copyrights and Trademarks
137 Dirksen Senate Office Building
U.S. Senate
Washington, D.C. 20510

RE: IMPLEMENTING LEGISLATION TO PERMIT BERNE ADHERENCE

Dear Mr. Mathias:

The discussion paper prepared by the Copyright Office for the Senate Judiciary Subcommittee on Patents, Copyrights and Trademarks with respect to the options available in any implementing legislation is worthy of commendation. It succintly sets forth a myriad of possibilities which would permit Berne adherence. The positive attitude is a welcome change from the frequent cautions expressed by those who would seek to retard the process.

Generally, we agree with the recommendations made in the report subject to some further observations which we hope will move adherence forward. We also express preferences in those cases where choices are presented.

1. P.4: Definitions: There seems to be no need for both (2) and (3). One definition plus the Berne test for simultaneity should suffice.

2. P.8ff: We opt for Alternative B which offers the possibility for retroactivity by proclamation. We insist that our trading parnters offer this protection to U.S. works in their countries. Can we do less for them? The standards should be the same; we should provide the U.S. Government the possibility of offering reciprocal treatment to other countries on a bi-lateral basis.

   However, the phrase in paragraph (4) which reads "continuance of enterprises lawfully undertaken" could present problems with respect to derivative works and also with respect to continued sales of items which had in fact been produced, manufactured or contracted for in advance of the effective date. It is hoped that a way can be found to protect the competing interests, such as a "deemed" non-exclusive license to the innocent user.

3. P.17, 18: With respect to moral rights, we find either Alternative A or Alternative B acceptable.

4. P.19: We strenuously object to the choice of any alternative other than the third with respect to notice. We should not have a dual system of copyright, one for foreigners and one for Americans. Non-discrimination should begin at home.

   Atlernative 3, we believe, provides sufficient incentive for the provision of notice. We believe that any material which is date-sensitive, such as textbooks, will carry a notice to insure saleability, even if notice is purely voluntary. The evidentiary presumption and statutory damages, are very powerful inducements for continuing to publish with notice.

5. P. 20: The manufacturing clause must go. It has no place in the modern world. At a time when our government is being pressured by the private sector to push for the elimination of such requirements in other countries, it is hard to justify the continuance of such a requirement in our own law, especially when it runs counter to the Berne Convention as well as other international regimes to which the U.S. subscribes.

6. P.22: Registration, recordation and deposit are each no different in principle than notice.

   A system should be adopted which encourages registration but eliminates its mandatory aspects, precisely parallel to the solution which is eventually adopted for notice. Evidentiary presumptions and statutory damages should suffice.

   The solution for recordation can follow the solution for registration.

   Deposit should be removed from the Copyright Law entirely. If the concept is to be continued, and it exists in many countries mandatorily for national works and voluntaryily for foreign works, it should be separately legislated.

   Again, any solution which produces a dual system of protection is totally unacceptable and must be avoided.

Our thanks and our compliments to the authors and to the Copyright Office for performing this valuable service.

Sincerely,

NORMAN ALTERMAN

WRITTEN QUESTIONS FOR MR. ALTERMAN
SUBMITTED BY SENATOR MATHIAS

1. Has our absence from Berne hurt any U.S. copyright objectives? Has it been raised by other countries against our request that they accord us reasonable kinds of copyright protection?

2. The Berne Convention has been in existence for a century now; yet U.S. copyright holders have built important markets in many foreign countries. How has our absence from the Berne Convention hurt us?

3. Is there any perceptible dfference between the copyright laws and the quality of copyright protection in those developing countries that belong to Berne and those that belong only to the Universal Copyright Convention (UCC)? How well has Berne done in the Third World? Has the UCC been widely accepted there?

4. Most major countries that belong to the UCC also belong to Berne. U.S. works receive the benefits of Berne protection in these countries, since the UCC requires national treatment, i.e. you must treat the works of foreign authors the same as your own. Why can't we go on this way? Given the openness of our markets, is there really any practical reason why this arrangement can't continue? In other words can't we get the benefits of Berne without having to incur any of the costs through changes in our domestic law?

5. Everyone is interested in the special copyright problems which are presented by new technology. How would adherence to Berne affect our ability to respond to these challenges?

6. In terms of work-for-hire, are we looking at a serious legal conflict between our law and Berne obligations, or does Berne try to leave room for countries such as the U.S. to maintain their long-standing rules governing work-for-hire and copyright ownership-authorship?

7. In your testimony you acknowledge that we could comply with Berne simply by creating a two-tiered system of laws, one maintaining the current legal status for our own works and another affording full Berne protection just for foreign works. If we adopted this "quick fix" in order to preserve the advantages of notice and registration, would MPAA still support U.S. adherence to the Berne Convention.?

8. Experts are divided on whether U.S. registration of copyright is incompatible with Berne. Assuming the Ad Hoc Group's assessment of incompatibility is correct, two options are available: (1) require registration for enforcement of copyright non-Berne works; or (2) replace mandatory registration with procedural and remedial benefits that would encourage registration. Other Berne countries, such as Canada, India and Mexico, presently use permissive registration as evidence of copyright validity. Nevertheless, any modification of the present registration scheme could be to the detriment of the Library of Congress. Which option would you prefer?

9. The Ad Hoc Working Group identified the notice formality as incompatible with Berne. A solution proposed by the Copyright Office was to dispense with requiring notice on works of foreign origin. Elimination of the notice requirement would save money now spent on its administration, and dispose of the burdensome

task of placing copyright notices on information products and services. But the notice provision has facilitated the resolution of conflicting transfers, the reversion of rights after termination, and the acquisition of permission to use a work. If the above proposal is adopted, how might the present benefits of notice be retained?

10. How are matters of copyright ownership and chain of title handled in licensing activities and other commercial transactions in the major Berne countries, in the absence of copyright notice, registration, deposit and recordation?

* * *

RESPONSES TO WRITTEN QUESTIONS

1. Our absence from Berne hurts U.S. copyright objectives every time we in the private sector say to a foreign government that it should have minimum standards of adequate and effective protection for, in our case, motion pictures. Almost invariably, we are met with the response that we have not yet joined the Berne Convention so who are we to tell anyone else what to do. This comes up time and time and time again.

   In fact, I have frequently taken the position with foreign governments that I advocate their adherence to Berne standards as strongly as I advocate to my own government that it adhere to Berne standards if not to the Berne Convention itself.

2. Our absence from the Berne Convention during the first century has not been seen to be especially harmful in the motion picture industry. We were able to build our foreign markets because motion pictures in the form of 35mm film, in limited copies, not available to the general public except as shadows on a screen, were easily controllable. For that reason, we were able to maintain strict supply control and contract governance for the usage which permitted us to exist under most copyright regimes no matter how fickle. However, with technological change making it possible for motion pictures to be reproduced in video cassette form and dispersed by means of satellite transmissions or even broadcasts, the control over the copies have been lost and we now require a legal underpinning in our efforts to retain the rights of the copyright proprietor to public performance and reproduction. These rights do not have the same degree of protection under the UCC as they do under Berne. For this reason we prefer the protection of Berne. It gives us a tighter and more adequate regime.

3. Whether a country is a developing country or a developed country the Berne minimum standards apply and must be accorded to all foreign works. The standards in the UCC are grossly inadequate, and the copyright protection accorded by UCC countries is frequently uneven and often lacking because nothing more is required than that national plus four minimum standards be given.

   In the third world, Berne has done at least as well as the Universal Copyright Convention. I believe that this is because in the former colonies of the European powers there is a tradition of Berne adherence.

4. As indicated above our problems lie not with the major countries but with the newly-industrialized countries, the developing countries and others who are still undecided

as to which way they will go - Berne or UCC. Certainly if these countries were members of Berne, as well as the UCC as are the developed countries, we would have no problem. But they are not.

In addition, I find it very difficult to argue for that kind of trade protection which current trade legislation requires, namely that of "adequate and effective" protection, when we ourselves are not members of the higher level convention, Berne. The words "adequate and effective" have been interpretted to require a Berne kind of protection, yet we sit aside demanding this of others but not being willing to adhere ourselves. This seems to be a very high price to pay for the possible costs through changes in our domestic law. In addition, I would submit that the costs through changes in our domestic law are nominal at best.

5. Generally speaking the Berne Convention has developed ways and means of responding to new technological problems. The UCC has not and, as a general rule, appears to be disinterested other than having the UNESCO officials participate in discussions on the subject.

6. Works for hire are permitted under Berne in exactly the manner that they exist in the United States of America. They exist in exactly that manner in many other countries. U.S. treatment is not mandated but it certainly is permitted and thus no change would be required in any of the domestic rules.

7. While I acknowledge that we could comply with Berne by creating a two-tiered system of laws and, while we would support adherence to the Berne Convention on that basis, we nonetheless urge, advocate and wholeheartedly endorse a one-tiered system of laws. The most compelling reason I see for a one-tiered system is the trade argument. How can we ask other countries to afford greater protection to U.S. works than we appear to be willing to give to those same works in their own national territory, namely in the United States. This position seems to me to be totally absurd.

8. Having been heavily involved in the conclusion by the Ad Hoc Group that registration of copyright is incompatible with Berne, I wholly endorse that position. I also firmly believe that the procedural and remedial benefits that could attach to a voluntary system would not only encourage but virtually assure voluntary registration, certainly for domestic works. In the case of foreign works I think the situation would be controlled by the value placed on the U.S. market by the owner of the foreign work in relation to the possibility that the work will be infringed in the United States and the procedural and remedial benefits will be meaningful. In simpler words, anybody who wants to exploit a foreign work in the U.S. market will probably find the cost of registration sufficiently nominal in relation to the value of the market that the benefits provided by registration will more than compensate for the inconvenience and cost that would attach. I don't believe that the same financial incentive exists in such countries as Canada, India and Mexico.

9. The lack of notice has not seemed to reduce the opportunity for foreign copyright owners to license the use of their works in Berne countries. Obviously this has been resolved in some accepted manner. I believe that notice, on a voluntary basis, would enjoy the same fate as registration. It would probably be continued on a voluntary basis in order to achieve the purpose of notice - notifying others who is the owner and where they can get a license to use the work. Certainly this would be the case for motion pictures and those who would desire to use the motion picture the notice would serve the same function it serves now, to inform the public. One must assume that libraries and school systems will be loathe to acquire any work which is not the latest publication and from a reliable source. They would certainly be loathe to

acquire any work which did not automatically indicate on the work these specifics. Those wishing to commercialize the works will no doubt find it extremely convenient to continue supplying the information on the copies so that such users can be assured that they have the proper information and the best available copy of the work from a reliable source. Frankly I don't think that this problem is going to be as great as has been made out because certainly the rest of the world has solved it.

10. The simplest answer is that everyone is automatically on notice that they act at their own peril and have to get the information. Getting the information isn't always as difficulty as one assumes. Normally, in the larger countries and in the major cities, the information is readily available and the sources are readily identifiable. Beyond that there is a problem and voluntary registers have been used. Certainly our industry would support any voluntary information register. In fact, we have even taken the position that this would make our life easier in certain cases and in certain areas. I don't see any reason why this should not be explored.

As you may know, the International Federation of Film Producers Associations in conjunction with the World Intellectual Property Organization is currently exploring just such a voluntary register to be maintained by WIPO. The primary purpose of this register would be informational. It is hoped that one day, as with the Lloyd's register of shipping, the informational register will achieve such stature that it will have evidentiary value as well. Certainly this is a goal to be desired and we are encouraged by the favorable response that the initial discussions have received within the film making community around the world.

WRITTEN QUESTIONS FOR MESSRS. NORMAN ALTERMAN, LEONARD FEIST, VICO HENRIQUES, AND JAMES P. MOONEY

SUBMITTED BY SENATOR SPECTER

What are the advantages and disadvantages, in each of your respective business areas (motion pictures, music publishing, computer and business equipment, and cable T.V.), to the United States becoming a member of the Berne Convention?

a) Ultimately, despite any disadvantages which you may cite, do you support the U.S. adhering to the Berne Convention?

* * *

RESPONSES TO SENATOR SPECTER

The advantages to the United States becoming a member of the Berne Convention primarily flow from the fact that the Berne Convention has achieved both greater weight in the developing countries of the world and the fact that the Berne Convention incorporates certain minimum standards on major issues. The Universal Copyright Convention, without minimum standards other than four which are honored more in the breach than in the observance, achieves only such copyright protection as may be given to the nationals of the country concerned. Frequently this protection is nothing.

Obviously, countries which are members both of Berne and the UCC can provide national treatment at the level of the Berne Convention minimum standards. However, the main problem countries today are not those. Rather it is the countries which generally are members of neither convention, or, if pushed, could become members of the Berne Convention and might even be willing to do so. Examples of this latter category of countries are Singapore, Taiwan and Korea.

The disadvantages that we see are, from a substantive point of view, negligible if they exist at all. We recognize that there is a perception in certain quarters that the Berne Convention could be amended thereby requiring or in fact even decreeing changes in the internal law of the United States. We submit that this is not a serious concern because no changes in the Berne Convention will be adopted without strong representation by the United States and other like-minded nations.

Today, we often seek the protection of the Berne Convention by means of the so-called "back-door." Qualifying for "back-door" protection however is inordinantly burdensome and difficult, to say nothing of being extremely costly. Unfortunately, we find that this is sometimes the only avenue we have because the UCC does not apply.

In the final analysis, the advantages vastly outweigh any possible disadvantages, and we strongly support and in fact advocate the U.S. adhering to the Berne Convention.

Senator **Mathias** [presiding]. Mr. Feist is next, I believe.

STATEMENT OF LEONARD FEIST

Mr. **Feist**. Mr. Chairman, I am Leonard Feist, former president of the National Music Publishers' Association. I appear before this committee representing the music community to express in broad, general terms its strong support for adherence by the United States to the Berne Convention.

The organizations on whose behalf I convey this positive position are the American Society of Composers, Authors and Publishers; Broadcast Music, Inc.; the Harry Fox Agency; the Music Publishers' Association of the United States; SESAC; and the Songwriters Guild of America, as well as the National Music Publishers' Association.

Communications to this committee to convey in detail the individual perspectives and points of view of these various organizations would be valuable in supplementing this brief endorsement. We would appreciate it if the committee would receive such additional amplifying submissions.

The music community believes that adherence to the Berne Union is a desirable goal of the country's policy and will increase our influence in the councils of international copyright and better assure the protection of our works abroad.

The United States is the world's leading producer and exporter of intellectual property. In many ways, music may be the most abundant of all categories of our copyright exports. This abundance rises from the sheer volume of individual copyrighted works, the multiplicity of the means of their diffusion, and the potential life span of their circulation. Thus, music is uniquely affected by the state of our international copyright relations.

Our present international copyright relations rest principally, as has been said, on the low level of protection of the Universal Copyright Convention. Its administration is widely considered as inadequate for greater responsibilities. Moreover, as a result of our resignation from Unesco, we have lost our only direct influence in international copyright matters, since we no longer participate in the Unesco General Conference which passes on the UCC program and budget.

The Berne Convention provides the highest and most comprehensive level of copyright protection. Its administration by the World Intellectual Property Organization, WIPO, is professional, and its secretariat of proven competence, expertise and dynamism.

The dilemma of the impact of new technologies on copyright will escalate during the immediate future and continue to present increasing complications. The interests of the U.S. copyright community are parallel to those of other developed countries. We should participate fully in the future resolution of these dilemmas on the international level, in the company of our partners in interest in copyright, Berne Convention members all, within the established continuity and broad scope of that organization.

Our present access to Berne protection is through the back door. We believe that this is certainly not a model procedure and that it is beneath the dignity of our Nation to use such a devise to secure higher protection.

The report of the ad hoc working group on the compatibility or lack thereof between the 1976 U.S. copyright law and the Berne Convention outlines clearly three or four problems which may exist between our law and Berne's provisions.

None is insoluble if it is our will to do so. Some will require flexibility and perhaps ingenuity. We respectfully submit that the time has come at long last for our Nation to take these positive measures so that we may soon adhere to the Berne Convention.

Thank you, Mr. Chairman, for the privilege of testifying on this important matter, and our particular thanks to you for creating and maintaining momentum toward its resolution.

[Mr. Feist's submissions for the record follow:]

JOINT STATEMENT OF THE AMERICAN SOCIETY OF COMPOSERS, AUTHORS, AND PUBLISHERS; BROADCAST MUSIC, INC.; THE HARRY FOX AGENCY, INC.; THE MUSIC PUBLISHERS' ASSOCIATION OF THE UNITED STATES; THE NATIONAL MUSIC PUBLISHERS' ASSOCIATION; SESAC; AND THE SONGWRITERS' GUILD OF AMERICA

Mr. Chairman:

I am Leonard Feist, former president and presently advisor of the National Music Publishers' Association. I appear before this committee today representing the music community to express in broad general terms its strong support for adherence by the United States to the Berne Convention. The organizations on whose behalf I convey this positive position are the American Society of Composers, Authors, and Publishers; Broadcast Music, Inc; the Harry Fox Agency, Inc.; the Music Publishers' Association of the United States; SESAC; and the Songwriters Guild of America, as well as the National Music Publishers' Association, Inc.

Communications to the committee to convey in detail the individual perspectives and points of view of the various organizations would be valuable in supplementing this brief endorsement. We would appreciate it if the Committee would receive such additional amplifying submissions.

The music community believes that adherence to the Berne Union is a desirable goal of the country's policy and would be beneficial to American interests in intellectual property around the world. It will increase our government's and the private sector's influence in the councils of international copyright and better assure the protection of our works abroad.

. The United States is the world's leading producer and exporter of intellectual property of all sorts. In many ways music may be the most abundant of all categories of our copyright exports. This abundance rises from the sheer volume of individual copyrighted works, the multiplicity of the means of their diffusion and the potential life span of their circulation. Thus music is uniquely affected by the state of our international copyright relations and the highest level of protection is of fundamental importance.

. Our present international copyright relations rest principally on the Universal Copyright Convention which provides a low level of protection and is of limited scope, while the Berne Convention provides the highest and most comprehensive level of protection. It spells out in great detail the subject matter of copyright and nature of its protection.

. The administration of the Universal Copyright Convention is inadequate for greater responsibilities, partly because of its political orientation, partly because it is a rather minor aspect of the overall activities of the United Nations. Moreover, as a result of our resignation from UNESCO we have lost our only direct influence in international copyright matters since we no longer participate in the UNESCO General Conference which passes on the UCC program and budget.

. The administration of the Berne Convention by the World Intellectual Property Organization (WIPO) is professional and its secretariat of proven competence, expertise and dynamism.

. The dilemma of the impact of new technologies on copyright will escalate during the immediate future and continue to present increasing complications. The interests of the United States copyright community are parallel to those of other developed countries. We should participate fully in the future resolution of these dilemmas on the international level and must do so in the company of our partners in interest in copyright - the developed countries - Berne Convention members all - within the established continuity and broad scope of that organization.

. As the Berne Convention enters its second century, the adherence of the United States will provide a positive psychological reinforcement to the status of the international law of intellectual property.

. Our present access to Berne protection is through the "back door". We believe that this is certainly not a model procedure and that it is beneath the dignity of our nation to use such a device to secure higher protection.

. It has been pointed out by government spokesmen as recently as last week that by belonging to the higher level international convention, we would be in a much stronger position in our present vigorous struggle against rampant international piracy.

. The report of the Ad Hoc Working Group on the compatability or lack thereof between the 1976 U.S. Copyright Law and the Berne Convention outlines clearly the three or four problems which may exist between our law and Berne's provisions. None is insoluble if it is our will to do so. Some will require flexibility and, perhaps, ingenuity. But we respectfully submit that the time has come at long last for our nation to take these positive measures so that we may soon adhere to the Berne Convention.

Thank you, Mr. Chairman, for the privilege of testifying on this important matter and our particular thanks to you for creating and maintaining momentum toward its resolution.

SUMMARY OF STATEMENT OF THE AMERICAN SOCIETY OF COMPOSERS AND PUBLISHERS, BROADCAST MUSIC, INC., THE HARRY FOX AGENCY, INC., MUSIC PUBLISHERS ASSOCIATION OF THE UNITED STATES, NATIONAL MUSIC PUBLISHERS' ASSOCIATION, SESAC AND THE SONGWRITERS' GUILD OF AMERICA re U.S. ADHERENCE TO THE BERNE CONVENTION

The members of the music community listed above strongly support adherence by the United States to the Berne Convention. Since our joint statement expresses our support in general terms, individual organizations would appreciate the opportunity of subsequently submitting more specific amplifying statements.

Adherence to the Berne Convention would aprovide us with the highest and most comprehensive level of copyright protection and its effective administration. As the world's leading producer and exporter of intellectual property, it will increase our influence, both government and private, in determining the course of international copyright.

The low level of protection of the Universal Copyright Convention on which our present international copyright protection is based is inadequate to provide us with the highest and most comprehensive level of protection and our recent resignation from UNESCO diminishes the influence we may have in the UCC.

The copyright interests of the U.S. are parallel to those of other developed countries that are our partners in interest and our adherence to Berne would enable us to participate with them toward the resolution of the dilemmas which are being created by the swift march of technology.

Our present access to the Berne level of protection is through the "back door" which is beneath the dignity of our nation and not necessarily a satisfactory procedure.

Finally, as government spokesmen have stated, in our struggle against international piracy a stronger international copyright status would increase our effectiveness.

April 15, 1986

QUESTIONS BY SENATOR MATHIAS FOR MR. FEIST

1. Has our absence from Berne hurt any U.S. copyright objectives? Has it been raised by other countries against our request that they accord us reasonable kinds of copyright protection?

2. The Berne Convention has been in existence for a century now; yet U.S. copyright holders have built important markets in many foreign countries. How has our absence from the Berne Convention hurt us?

3. Is there any perceptible dfference between the copyright laws and the quality of copyright protection in those developing countries that belong to Berne and those that belong only to the Universal Copyright Convention (UCC)? How well has Berne done in the Third World? Has the UCC been widely accepted there?

4. Most major countries that belong to the UCC also belong to Berne. U.S. works receive the benefits of Berne protection in these countries, since the UCC requires national treatment, i.e. you must treat the works of foreign authors the same as your own. Why can't we go on this way? Given the openness of our markets, is there really any practical reason why this arrangement can't continue? In other words can't we get the benefits of Berne without having to incur any of the costs through changes in our domestic law?

5. Everyone is interested in the special copyright problems which are presented by new technology. How would adherence to Berne affect our ability to respond to these challenges?

6. In terms of work-for-hire, are we looking at a serious legal conflict between our law and Berne obligations, or does Berne try to leave room for countries such as the U.S. to maintain their long-standing rules governing work-for-hire and copyright ownership-authorship?

7. The Ad Hoc Working Group found that the mechanical license provision for making and distributing phonograph records is compatible with Berne. Do you agree?

8. To help the subcommittee better understand the situation with respect to the compatibility of the jukebox exemption and the Berne Convention, please respond to the following questions:

How does the incompatibility arise?

Can it be resolved through a form of compulsory licensing?

How is it resolved in other Berne states?

What is the position of the organizations you represented at the hearing? Do they favor the elimination of the jukebox compulsory license?

9. Experts are divided on whether U.S. law on registration of copyright is incompatible with Berne. Assuming the Ad Hoc Group's assessment of incompatibility is correct, two options are available: (1) require registration for enforcement of copyright non-Berne works; or (2) replace mandatory registration with procedural and remedial benefits that would encourage registration. Other Berne countries, such as Canada, India and Mexico, presently use permissive registration as evidence of copyright validity. Which option would you prefer?

WRITTEN QUESTIONS FOR MESSRS. NORMAN ALTERMAN, LEONARD FEIST, VICO HENRIQUES, AND JAMES P. MOONEY SUBMITTED BY SENATOR SPECTER

What are the advantages and disadvantages, in each of your respective business areas (motion pictures, music publishing, computer and business equipment, and cable T.V.), to the United States becoming a member of the Berne Convention?

a) Ultimately, despite any disadvantages which you may cite, do you support the U.S. adhering to the Berne Convention?

* * *

RESPONSES TO WRITTEN QUESTIONS

National Music Publishers' Association • Inc.

[illegible]

June 13, 1986

The Hon. Charles McC. Mathias, Jr.
Chairman
Subcommittee on Patents, Copyrights
and Trademarks
Committee on the Judiciary
137 Dirksen Office Building
United States Senate
Washington, D.C. 20510

Re: U.S. Adherence to the Berne Convention

Dear Senator Mathias:

This is in reply to your letter of May 21 and the accompanying questions. During my appearance at the April 15 hearing I noted that my testimony was offered on behalf of several organizations within the music community, and suggested that their individual perceptions would be helpful to the Committee. Accordingly, I have provided copies of your communication to those organizations. In this letter I will deal with those matters most directly pertinent to the National Music Publishers' Association and the Harry Fox Agency.

1. We believe that the United States' absence from the Berne Convention has deprived this country of direct, effective, and voting participation in the world's most important council of

international copyright deliberation, and has hindered the United States government's efforts to move other countries to adopt adequate copyright laws for American works. Indeed, representatives of the pertinent U.S. government agencies testified before your Committee that our failure to become a member of the Berne Convention has been cited by other countries in justification of their low (if any) level of protection for our works.

2. The markets for American works abroad are most certainly important. Yet these markets are being increasingly decimated by piracy in both printed and recorded forms. (Rampant "record piracy" and unauthorized audio and video cassette duplication, it must be noted, are not only an affront to record and film producers; each such instance is also a piratical use of the copyrighted music embodied in the record, film, or cassette.) For the reasons given above and in my testimony, we believe that U.S. adherence to Berne is an important component of ongoing efforts to fight piracy. I would also note that to a considerable extent, our foreign markets have been supported as a legal matter by the device of "back door" Berne protection. As indicated in my testimony, this is neither a model procedure nor compatible with our country's responsibility for leadership in the world copyright community.

3. As a general matter, developing countries that belong only to the UCC are held to a significantly lower level of protection than those adhering to the Berne Convention, and have little incentive to upgrade the protection they accord in practice. Additionally, we believe that -- for the reasons given in my prepared statement -- the administering body and mechanism of the UCC does not adequately reflect or provide the opportunity for vigorous protection of developed countries' interests in intellectual property matters. It appears that developing countries may be drawn to the UCC, rather than Berne, for just these reasons and that this tendency is magnified in the context of current efforts to improve the quality of protection for American works abroad. (Also, it may be noted that, under the Appendix Declaration to Article XVII of the UCC as revised at Paris, developing countries may withdraw from the Berne Union without losing UCC protection of their works in other countries adhering to both Berne and the UCC.) It is difficult, if not impossible, for the United States to argue against this tendency and redirect attention to the more meaningful standards of the Berne Convention while remaining outside the Berne Union.

4. The difficulty with relying on what may be called the "side door" to Berne -- obtaining Berne-level protection under the national treatment principle of the UCC in countries adhering to both conventions -- is similar to that characterizing the "back door" approach: it is not in keeping with our claims to, and need for, stature in the world copyright community; if this country is to enjoy the benfeits of Berne, it should become a full participating member of the Union. Additionally, as suggested above, the "side door" is wholly ineffective in current efforts to seek effective protection in countries that have so far remained outside both conventions or adhered only to the UCC, or in developing countries that may withdraw from the Berne Union.

5. Several government witnesses and the Director-General of the World Intellectual Property Organization have assured the Committee that Berne is not a "strait jacket," precluding innovative and responsive adjustments to new technologies. The fact that many Berne members have taken the lead in assuring copyright owners equitable compensation for the problem of home taping, for example, supports this conclusion. Additionally, the

United States must participate in international deliberations over copyright and new technology; it must do so in the company of other developed countries (adherents to Berne) and from a posture of respect as a full participant in that community; and it must have an effective voice in the most important chamber of debate -- our adherence to Berne is an important step in achieving these goals.

6. We agree with the conclusion of the Preliminary Report of the Ad Hoc Working Group on Adherence to Berne that United States law on ownership and authorship of works made for hire is fully compatible with the obligations of Berne membership.

7. We also agree with the conclusion of the Ad Hoc Working Group that the compulsory license for making and distributing phonorecords of copyrighted music is compatible with the Berne Convention. (As a matter of principle, however, it should be noted that we do not approve the notion of compulsory licensing of musical works for such purposes.)

8. We believe that answers to this question would best be supplied by the performing rights organizations who deal with the matter.

9. We do not generally favor a "two tier" copyright system that would discriminate between Berne and non-Berne works; we think it would be cumbersome, cause confusion, and prompt unnecessary issues, as well as constitute an affront to American authors and copyright proprietors. A system of wholly permissive registration, according prima facie evidentiary benefits to those who seek it, but freeing all other meaningful attributes of ownership, enforcement, and relief from formalities, is the preferred alternative.

With respect to Senator Specter's separate question, music publishers are uniquely affected by our international copyright relations. As I noted at the hearing, in many ways American music may be the most abundant of all categories of this country's copyright exports. From that perspective, the advantages we see to Berne adherence are best summed up in the enclosed "Summary" of my April 15 testimony.

Thank you for the opportunity to submit these comments.

Sincerely yours,

Leonard Feist

Leonard Feist

Dictated but not read

* * *

Senator MATHIAS. Thank you very much, Mr. Feist.
Mr. Henriques.

STATEMENT OF VICO E. HENRIQUES

Mr. HENRIQUES. Thank you, Mr. Chairman. My name is Vico Henriques. I am the president of the Computer and Business Equipment Manufacturers Association.

In 1985, our industry had a trade surplus of $4.445 billion. I want to emphasize that trade surplus because as large as it is, I believe it could be larger. One of the factors retarding the growth of the surplus is the violation of U.S. companies' intellectual property rights around the world, and that problem is why I am here to lend our full support to make the United States a signatory to the Berne Convention.

High technology rests on——

Senator MATHIAS. Is that primarily a software problem you are talking about?

Mr. HENRIQUES. It is both software and design—the chip design—as well.

The new ideas behind computer hardware, software, and services are crucial to the future. The disks themselves, the chips, and the boards mean very little, but the design of the chips, the sequence of commands in software, and the algorithms that produce answers are the reasons that people buy and use computers.

These designs, sequences, and algorithms are not objects that you can lock up in a warehouse to guard against theft. They are ideas that have to be implemented broadly to have value. Like reading books or playing music, it is the use of computers that is important.

To ensure a constant flow of improved technology, we have sought intellectual property protection for the ideas and inventions of our industry. For software, the primary protection is copyright.

But, today, copyrights are commonly violated by international pirates who make unauthorized copies of software that they have not invented and then sell these copies for a fraction of their legitimate market price.

In a recent report, the International Intellectual Property Alliance estimates that in nine developing countries alone the United States is losing $128 million a year in software sales. And we cannot even begin to estimate the amount we are losing through exports of that pirated software from those same countries into the international marketplace.

Solving this problem requires a series of carefully planned steps. I have personally gone to Taiwan and Singapore as part of a Government delegation to try to negotiate an end to piracy.

We have recommended that benefits under the GSP be altered or terminated for countries that refuse to grant adequate and effective intellectual property rights, and we are very supportive of the current USTR efforts to negotiate an end to Korea's intellectual property violations.

Signing the Berne Convention is another in this series of steps we should take toward solving international piracy. It provides a higher level of protection than could be afforded by the Universal

Copyright Convention, and the United States is the only major developed country that is not a Berne adherent.

We are pressuring trading partners like Korea and Singapore to meet high worldwide standards of intellectual property protection, but we are not in the best position to do that when we do not provide as much protection as other countries.

The administration has committed itself to promoting intellectual property rights through bilateral negotiations and by seeking inclusion of intellectual property rights in the next GATT agenda. Signing the Berne Convention will strengthen the position of our negotiators.

In fact, we would welcome the expiration of the manufacturing clause, section 601 of the U.S. Copyright Act, which serves as an obstacle to Berne adherence. Expiration of the clause should be supported on other grounds as well.

It is GATT-illegal because it is unjustifiably protectionist. It puts the United States in a weakened position to encourage a strengthening of GATT procedures, and it forces U.S. companies to abandon copyright on some valuable technical and instructional manuals for products that are being made abroad.

In summary, I would like to reiterate my support for the Berne Convention. It is fully consistent with the objective of the administration to promote intellectual property rights protection worldwide. It is consistent with one of the major themes Congress expressed in the Trade Act of 1984, which gave the Government authority to negotiate and use tools to secure the adoption of adequate and effective protection, and it will indeed strengthen our hand in negotiating improved protection of U.S. intellectual property in the world marketplace. Clearly, we believe that the United States should sign the Convention.

[Mr. Henriques' submissions for the record follow:]

PREPARED STATEMENT OF VICO E. HENRIQUES

Summary

The Computer and Business Equipment Manufacturers Association (CBEMA) believes that the U.S. should sign the Berne Copyright Convention because:

- High technology rests on intellectual property. To ensure a constant flow of improved technology, governments around the world have granted intellectual property protection to the ideas behind our industry. For software, the primary protection is copyright. But that copyright is commonly violated by international pirates who make unauthorized copies. Signing the Berne Convention will help the U.S. solve that problem by strengthening the hand of our negotiators.

- The Convention is fully consistent with the objective of the Administration to promote intellectual property rights protection worldwide.

- The Convention is consistent with one of the major themes Congress expressed in the Trade Act of 1985, which gave the Government authority to negotiate and use tools to secure the adoption of adequate and effective protection of intellectual property by our trading partners.

* * *

My name is Vico Henriques. I am president of the Computer and Business Equipment Manufacturers Association (CBEMA). CBEMA is the trade association of producers of information processing, business and communications products, supplies and services. Its 38 member companies had combined sales of more than $135 billion in 1984. They employ more than 1.6 million people worldwide. In 1985, the U.S. computer and business equipment industry had exports of $16.270 billion and imports of $11.825 billion. The trade surplus was $4.445 billion.

I want to emphasize that trade surplus because, large as it is, I believe it could be larger. One of the factors retarding the growth of the surplus is the violation of U.S. companies' intellectual property rights around the world. And that problem is why I am here to lend our full support to make the United States a signatory to the Berne Convention.

Let me review the international intellectual property needs of my industry and then let me explain why we believe adherence to the Berne Convention is needed.

High technology rests on intellectual property. The ideas behind computer hardware, software and services are crucial to our future. The disks themselves, the chips and boards mean very little. But the design of the chips, the sequence of commands in software, the algorithms that produce answers are the reasons people buy and use computers.

These designs, sequences and algorithms are not objects that you can lock up in a warehouse and guard against theft. They are ideas that have to be implemented broadly to have meaning. Like books or music, it is the use of computers that is important.

To ensure a constant flow of improved technology, governments around the world have granted intellectual property protection to the ideas behind our industry. For software, the primary protection is copyright.

But today copyrights are commonly violated by international pirates who make unauthorized copies of software they haven't invented and then sell those copies for a fraction of their legitimate market price. In a recent report, the International Intellectual Property Alliance (of which CBEMA is a member) estimates that on the domestic economies of nine developing countries alone, the United States is losing $128 million in software sales annually. And we cannot even begin to estimate the amount we are losing through exports of pirated software from these countries onto the international marketplace.

Solving this problem requires a series of carefully-planned steps. We have already taken some. I have personally gone to Taiwan and Singapore as part of a government delegation to try to negotiate an end to piracy. CBEMA and the other members of the International Intellectual Property Alliance have recommended that benefits under the Generalized System of Preferences be altered or terminated for countries that refuse to grant adequate intellectual property rights. And we are very supportive of the current USTR efforts to negotiate an end to Korea's intellectual property violations.

Signing the Berne Convention is another in this series of steps we should take toward solving international piracy. It provides a higher level of protection than that afforded by the Universal Copyright Convention, to which the U.S. subscribes. The United States is the only major developed country that is not a Berne signatory. And frankly, that creates a negotiating problem.

We are pressuring developing trading partners like Korea and Singapore to meet high, worldwide standards of intellectual property protection. But we are not in the best position to do that when we do not provide as much protection as other countries. "Why shouldn't we be allowed to have a unique standard of protection," our partners are asking, "when the U.S. also has a lesser standard of protection."

Intellectual property protection is far too important to the future of the United States to allow this situation to continue. The Administration has committed itself to promoting enhanced intellectual property rights protection through bilateral negotiations and by seeking the inclusion of intellectual property rights on the next GATT agenda. We must give our negotiators every possible backing in their fight to win that protection. Signing the Berne Convention will, we believe, strenghten the position of our negotiations; it is a major part of that backing.

We understand that signing the Convention will require certain changes in current U.S. law. We served on the State Department's Ad Hoc Working Group on U.S. Adherence to the Berne Convention and have examined that report carefully. None of the amendments to current copyright law that would be necessary to adhere to Berne would have an adverse impact on our industry.

In fact, we would welcome expiration on the Manufacturing Clause (Section 601) of the U.S. Copyright Act, which serves as an obstacle to Berne adherance. Expiration of the clause should be supported on other grounds as well:

o It is illegal under the GATT because it is unjustifiably protectionist; it forbids the import of much U.S. copyrighted material into the United States. Already the European Community has threatened retaliation if the Manuacturing Clause is not permitted to expire as scheduled on June 30.

o It puts the United States in a weakened position to encourage a strengthening of GATT procedures, which would be very beneficial to our industry and to many others.

- It forces U.S. companies to abandon copyright on some valuable technical and instructional manuals for products that are being built abroad. The reason is that the Manufacturing Clause forbids us from printing these manuals at the site of manufacture and shipping them back into the United States along with the product if the manuals are authored by a U.S. citizen and copyrighted in the U.S. Because of changes to products during manufacture, it is vital that these manuals be printed at the manufacturing site. In addition, customers would not be willing to tolerate a situation in which product literature arrived separately from the product.

In summary, I would like to reiterate my support for the Berne Copyright Convention.

- It is fully consistent with the objective of the Administration to promote intellectual property rights protection worldwide.

- It is consistent with one of the major themes Congress expressed in the Trade Act of 1985, which gave the Government authority to negotiate and use tools to secure the adoption of adequate and effective protection of intellectual property by our trading partners.

- It will indeed strengthen our hand in negotiating improved protection of U.S. intellectual property in the world marketplace.

Clearly, the opinion of my industry is that the U.S. should sign the Convention.

CBEMA

June 13, 1986

Senator Charles McC. Mathias, Jr.
United States Senate
Committee on the Judiciary
Washington, D.C. 20510

Dear Senator Mathias:

Following the April 15 hearing on adherence to the Berne Convention, you asked us to respond to the question:

> What are the advantages and disadvantages, in each of your respective business areas. . . to the United States becoming a member of the Berne Convention?
>
> (a) Ultimately, despite any disadvantages which you may cite, do you support the U.S. adhering to the Berne Convention?

The advantages of Berne to the computer industry are:

- It provides a higher level of protection than does the U.C.C.
- Signing it would improve the U.S. position in negotiations with countries that are not adhering to accepted international intellectual property protection standards. Successful completion of negotiations with countries currently pirating computer software would save our industry over $125 million per year. These revenues would be used in part to support more jobs in the research and development that leads to new software products for the future.
- Berne adherence would require changes to the Manufacturing Clause of the Copyright Act, a clause with which we disagree on several grounds, including its protectionist effect.

We see no disadvantages for our industry in Berne adherence. Therefore, we support adherence without reservation.

Please let us know if we can be of further help.

Sincerely,

Vico E. Henriques
President

Senator MATHIAS. Thank you very much, Mr. Henriques.
Mr. Goldberg.

STATEMENT OF MORTON DAVID GOLDBERG

Mr. GOLDBERG. Thank you, Mr. Chairman. I am Morton Goldberg, of Schwab Goldberg Price & Dannay in New York. I am a member of the ad hoc working group, but I am appearing this morning in my capacity as proprietary rights counsel to the IIA, the Information Industry Association.

This testimony is supported also by the USCIB, the U.S. Council for International Business, which is submitting its own statement to the subcommittee.

Mr. Chairman, we urge that the United States do what it should have done 100 years ago this September: Adhere to the Berne Convention, to recognize more fully the obligations of the United States in the international copyright community and to assert its rights more effectively.

In support of that position——

Senator MATHIAS. Fortunately, we still have the door open.

Mr. GOLDBERG. We still have the door open, Mr. Chairman; and it's a front door, rather than the back door we've used so far. We think that the front door is more appropriate for the United States.

In support of that position, Mr Chairman, the IIA offers its perspective on effective international copyright protection in new information technology—simply put, increasingly important in a marketplace that is increasingly global. In the global economy, the United States is, by far, the world's leading provider of data base services, and the transfer of information among nations is becoming as significant as the transfer of goods and capital.

Why should the United States adhere to Berne? From the standpoint of the information industry, and authors and creators generally, there are a number of reasons. Let me tick off some of them.

One, Berne has a no-formalities approach to copyright, which makes sense for protecting works like data bases and computer software.

Two, adherence would eliminate the legal significance of uncertainty as to when a data base has been published.

Three, Berne has high minimum standards for protection, which is important in new technology.

Four, WIPO, the Berne secretariat, has an interest and an expertise in new technology.

Five, adherence would eliminate the needless expense of entering Berne by the back door, through so-called simultaneous publication, and would eliminate also the uncertain legal and political consequences that go with it.

Six, it would give us additional copyright relations with countries that belong to Berne but not the UCC.

Seven, it would give us a better bargaining position in copyright negotiations with the countries that are havens of international piracy.

Last—and a very important last, Mr. Chairman—in the forthcoming round of multilateral trade negotiations of the GATT, the General Agreement on Tariffs and Trade, we should negotiate for provisions to enforce, under the GATT, copyright standards based on Berne. Berne adherence would facilitate our doing just that.

These advantages make Berne adherence important, Mr. Chairman; the rapid pace of technology and the rapid pace of international piracy make adherence urgent. In closing, let me say that resolving all the questions in Berne adherence may, as the proverb has it, require a journey of many miles, but it must begin with a single step. Mr. Chairman, we commend you and the subcommittee for that first step in these hearings.

You have shown insight and foresight in your introduction of Senate Joint Resolution 169 to commemorate the 1990 bicentennial of our first patent and copyright laws. That year will likely be the year of the diplomatic conference for the next revision of the Berne Convention.

It would befit the bicentennial for this country not merely to observe such a diplomatic conference, as it has been restricted to doing in the past, but to take its seat at the table as a full member of the international copyright community.

Thank you, Mr. Chairman.

[Mr. Goldberg's submissions for the record follow:]

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PROPOSED ADHERENCE
of the
UNITED STATES
to the
BERNE CONVENTION

Testimony
of the
INFORMATION INDUSTRY ASSOCIATION

Before the
UNITED STATES SENATE
COMMITTEE ON THE JUDICIARY
SUBCOMMITTEE ON PATENTS, COPYRIGHTS, AND TRADEMARKS

April 15, 1986

Summary

The Information Industry Association (IIA) supports United States adherence to the Berne Convention.

The members of IIA offer a perspective in areas of new technology on the importance of effective protection of copyright, both in the United States and abroad. IIA members create, produce and distribute information, and service its use. In their businesses, new technology embraces information content (*e.g.*, computer software and data bases), information media (*e.g.*, magnetic tape and optical disks) and information transmission (*e.g.*, cable and satellite). The marketplace for these products and services is global, so that effective international protection is vital.

Berne adherence provides numerous advantages to IIA members. The no-formalities approach of the Convention is the most practical way to protect works such as software and databases. The breadth and strength of the minimum standards of protection required by Berne provide important protection to works of new technology. Uncertainty as to when "publication" may occur for U.S. databases becomes less significant, because under Berne they will be protected whether unpublished or published first in the U.S. or in any other Berne country.

An additional advantage of Berne adherence is the expertise of WIPO as the Berne secretariat in analyzing and promoting resolution of broad issues presented by developing technologies. Adherence will also facilitate the use of the General Agreement on Tariffs and Trade (GATT) for enforcing intellectual property protection.

Moreover, adherence to Berne will provide advantages such as protection in Berne countries without needlessly expensive and uncertain entry by the "back door" of simultaneous publication; copyright relations with countries with which we now have none; and a better bargaining position for the United States in bilateral and multilateral copyright discussions.

These advantages make Berne adherence important; the rapid pace of technology and the rapid pace of international piracy make adherence urgent.

Mr. Chairman, I am Morton David Goldberg, a member of the New York law firm of Schwab Goldberg Price & Dannay, Proprietary Rights Counsel to the IIA, the Information Industry Association.

I am an Honorary Trustee and former President of The Copyright Society of the U.S.A.; an Honorary Council Member and former Chairman of the American Bar Association Section of Patent, Trademark and Copyright Law; and have been actively involved in copyright and other intellectual property matters for almost three decades, including the efforts in the 1960's and 1970's leading to the overall revision of the copyright law in the Copyright Act of 1976.

I have served in a number of governmental advisory positions, including membership on the Panel of Consultants to the Register of Copyrights on the General Revision of the U.S. Copyright Law, and on the National Copyright Office Advisory Committee. I now serve -- together with several others testifying here this morning -- on the Ad Hoc Working Group on U.S. Adherence to the Berne Convention which, at the request of the State Department, prepared the Working Group's Preliminary Report, submitted earlier this year.

I. The IIA

The IIA, founded in 1968, is the trade association representing approximately 450 information publishers and information service organizations in the United States and abroad. We have appended the latest IIA membership list, which includes companies providing leadership throughout the world in creating and managing information products and services as well as communications and computing services. These products and services include database publishing, financial information services, information management software, videotex, communications and computing networks and other areas of new information technology and innovation.

These companies collect, create, store, analyze, manage, and distribute information both electronically and through traditional means in a variety of formats useful to their customers. One information service of particular importance for many IIA members is that of providing computerized databases -- whether full-text, citations, abstracts or numeric data -- for access by customers at the customers' own locations. These companies sell access, or subscriptions, to their information products and services, thereby making possible effective, rapid retrieval and use of proprietary information domestically and internationally.

Many IIA companies meet a market need for information by repackaging or otherwise enhancing raw information available with permission or from government sources. This so-called value-added function is fulfilled by preparing compilations and other derivative works protected under our copyright law, and has been especially useful in meeting the needs of information users throughout the world.

Mr. Chairman, the IIA urges that the United States do what it should have done one hundred years ago this September: join the Berne Convention. IIA looks forward to the introduction of appropriate legislation to permit adherence under our law, and to the opportunity to express its views in comments to be filed on those legislative proposals.

II. The IIA Offers a Helpful Perspective on Technology, Information and the International Marketplace

It is with particular concern for technology, information and the international marketplace -- the perspective of IIA members -- that we urge adherence. The IIA membership deals with present and future applications of new technology to the creation and dissemination of information in a marketplace that is global. Information technologies are expanding rapidly; and, equally rapidly, their international significance is growing. Media for disseminating information now include print and much more, and the market for IIA members is now both an American and a foreign market.

The new technology of information encompasses information content, information media and information transmission. The content of information is no longer confined to traditional categories of literary and artistic works; it includes not only *belles lettres* and music but also electronic databases and computer software. At the same time, the media of information are no longer limited to print readable to the eye, but embrace as well microfiche, magnetic tape and disks, semiconductor chips and laser-generated optical disks.

Finally, the means of transmitting information are no longer restricted to transporting a book or other physical object from one place to another but have expanded to instantaneous world-wide telecommunications by satellite. It is commonplace to use such transmissions from one continent to another to access online databases, to deliver a computer program or other work to a customer, and to utilize videotex and other interactive communications.

Both our government and the American business community have emphasized that the marketplace for U.S. information products and services is international. The Commerce Department only a few months ago characterized the marketplace as one in which "[t]he United States is by far the world's predominant provider of data base services."* And the Business Roundtable has pointed out the significance of information goods and services for the global economy:

> "With the rapid growth in the use of telecommunications and information technologies, the transfer of informa-

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* Commerce Dept., 1986 U.S. Industrial Outlook at 48-6 (January, 1986).

> tion is ... becoming as significant as the transfer of goods and capital in the economic relations among nations."*

Between 40 percent and 50 percent of total United States exports consist of services and high technology products; and business and information services are the most rapidly growing service sector components.** Even domestically, the computer programming and software industry alone has recently experienced an increase of more than 100% in its revenues.***

III. In Today's International Marketplace of Information, Berne Adherence is Overdue

The Berne Convention first became effective on September 9, 1886, one hundred years ago, and the most recent version is the Paris Act of 1971. The United States has adhered to none of its versions. In 1990, the Berne Union will again convene a Diplomatic Conference to consider revision of the Convention.

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* Business Roundtable, International Information Flow: A Plan for Action, at 1 (January, 1985).

** Annual Report of the President of the United States on the Trade Agreements Program 1984-85, at 43 (28th Issue, February 1986).

*** The revenues increased 112.8% in the two-year period from 1980 to 1982. M. Rubin, The Copyright Industries in the United States, report prepared for the American Copyright Council, at 9, 10, 18 (1985).

As you are most aware, Mr. Chairman, in your sponsorship of S.J.Res. 169 in this Congress, 1990 will be the Bicentennial of this country's enactment of its first patent and copyright laws. It would be appropriate -- and in the spirit of S.J.Res. 169 -- for this country to take its place as a member to participate in those deliberations.

The United States is a member of the Universal Copyright Convention, in its 1952 and 1971 versions, but for this country the UCC provides neither the strength of protection nor the influence needed in our dealings with other countries. The weaknesses of the UCC have also been magnified by U.S. withdrawal from UNESCO, the agency which administers the UCC.

IV. For the Information Industry There are Numerous Advantages to Berne Adherence

For the information industry, as well as for authors and other creators generally, there are many reasons why the United States should adhere to Berne. These include

-- a no-formalities copyright approach which makes sense for protecting works such as databases and computer software.

-- minimum standards under Berne which are important for new technology.

-- the expertise of the Berne secretariat (WIPO, the World Intellectual Property Organization) in new technology.

-- eliminating the legal significance of the uncertainty as to what constitutes "publication" of a database.

-- eliminating needless expense, and the uncertain consequences, of "simultaneous" publication via the "back door."

-- giving us a better bargaining position in bilateral and multilateral copyright negotiations.

-- facilitating use of the GATT for enforcing intellectual property protection.

-- giving us additional copyright relations with countries belonging to Berne but not UCC.

A. The no-formalities approach. Under the U.S. Copyright Act, there are complex registration and deposit procedures which must be followed if the creators of information products and services are to receive maximum protection and be enabled to sue infringers.* These formalities are burdensome for such creators, and the IIA has made a detailed proposal to the Copyright Office for revising its regulations to reduce the burden of the deposit requirements for databases under the regulations.*

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* 17 U.S.C. §§408-412; 37 C.F.R. Part 202.

IIA's proposal was necessitated by the complexity of the matters dealt with under the regulations for deposits with the Copyright Office in registration of databases, and under the statutory provisions for issuance of those regulations.**

The IIA proposal is the subject of a pending Copyright Office Notice of Inquiry,*** as is the matter of depositing with that public office computer programs and other works containing trade secrets.**** The IIA is concerned about the complexity of these provisions, which relate -- in a most cumbersome and expensive way -- to works which are of major importance to information producers. The difficulty can be reduced but it cannot be eliminated under our present deposit and registration system.

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* Letters from Schwab Goldberg Price & Dannay, IIA Proprietary Rights Counsel, to Copyright Office, dated March 29 and July 12, 1985, and Exhibits attached thereto.

** 17 U.S.C. §§408, 409 and 702.

*** Copyright Office Notice of Inquiry Concerning Registration and Deposit of Databases, 50 Fed. Reg. 24,240 - 24,241 (June 10, 1985).

**** Copyright Office Notice of Inquiry Concerning Deposit of Computer Programs and Other Works Containing Trade Secrets, 48 Fed. Reg. 22,951 - 22,954 (May 23, 1983).

The absence of such formalities under Berne is attractive, and appropriate legislation to conform our law to Berne in these respects should be given careful -- and sympathetic -- consideration.

B. The Berne minima and new technology. Berne sets out minimum standards for protection -- at a high level -- which all member countries must grant to works of other member countries. These high standards are important where, as with the products and services of IIA members, traditional principles of copyright protection must continually be applied to works of new technology. The Berne standards have the needed breadth and strength for this purpose.

By way of example, Berne requires that authors be given a right of especial importance for creators of value-added databases and derivative works based upon them, and for the creators of computer programs and their updates and enhancements. That right is the "exclusive right of authorizing adaptations, arrangements and other alterations of their works."*

C. Expertise of WIPO. The World Intellectual Property Organization functions as the secretariat for Berne and for a number of other major multilateral intellectual property treaties, including notably the major treaty governing patents and trademarks, the Paris Convention for the Protection of Industrial Property. WIPO has significant expertise in areas of new technology important to IIA and to authors generally. It has demonstrated such expertise in areas relating to IIA concerns. It has, for example, convened a number of meetings of international committees of experts to develop appropriate methods of world-wide protection for computer software, and for the "mask works" embodied in semiconductor chips.

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* Berne Convention, Article 12 (Paris Act 1971).

D. Minimizing expense and uncertainty of "simultaneous publication." Even without United States membership in Berne, many copyright owners now attempt to secure protection in Berne Union countries by first publishing a work simultaneously in the U.S. and a Berne country. A work is entitled to the protection of the Convention, regardless of the nationality of its author, if it is either first published in a Berne country or published "simultaneously in a country outside the Union and in a country of the Union."*

This option commonly presents needless expense and inconvenience, and entails legal risks. If distribution in

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* Article 3(1) of the Berne Convention (Paris Act, 1971).

Canada or another Berne country is not planned, or not planned for the same time as first publication in the U.S., a proprietor should not have to skew a distribution plan derived from business -- as opposed to legal -- considerations in order to obtain Berne protection.

In the case of certain works of new technology, such as databases, it is not always clear what constitutes publication. So, the ordinary inconvenience of simultaneous publication may be magnified, and accompanied by uncertainty as to the legal consequences.

On a more general level, using the "back door" to Berne detracts from our credibility and impairs our copyright relations with other countries. A Berne Union country in which a U.S. proprietor attempts to benefit from simultaneous publication may look askance at the U.S. desire to benefit from the Convention while not shouldering its responsibilities and, consequently, if an infringement action were brought in that country, a court might seek to find some technical defect in the simultaneous publication.

If another country's resentment rises to a significant level, it might seek to prevent U.S. use of the back door through import restrictions. Canada, for example, has a section in its copyright statute prohibiting importation into

Canada of books within fourteen days after publication elsewhere.* Thus far, the Canadians have not enforced this provision, but U.S. copyright owners need a more reliable and a more convenient route to Berne protection than the one through the back door.

If the United States joins Berne, the works of U.S. nationals will be protected even if unpublished; and works of any nationals will be protected if first published in _either_ the United States _or_ any other Berne country.** Thus, the expense and uncertain consequences of "publication" abroad no longer are problems if we enter Berne through the front door and not the back.

E. _A better bargaining position in copyright negotiations_. International copyright piracy is rampant in a number of countries where infringing products are produced both for local consumption and, even more damaging, for export throughout the world. The U.S. International Trade Commission has estimated that U.S. copyright industries lose over $1.3 billion a year as a result of inadequate and ineffective protection in only ten selected countries.*

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* Sec. 28(2), Copyright Act of 1952.

** Berne Convention, Articles 3-5 (Paris Act 1971).

Lacking Berne membership, our credibility may be impaired in negotiating with such countries to provide a high level of copyright protection. With Berne membership, our position is enhanced. Likewise, our position may be impaired as we approach the next round of Multilateral Trade Negotiations in the GATT, where we may have an opportunity to negotiate for enforcement of our intellectual property rights using the Berne minima as international copyright standards enforceable within GATT. Berne adherence would place us in a more favorable position in such matters within the GATT.

F. Additional copyright relations with non-UCC countries. There are a number of countries which belong to Berne but not the Universal Copyright Convention, and with whom we have no effective bilateral arrangements. Our joining Berne will not necessarily induce a non-complying Berne member (e.g., Thailand) to comply with its obligations to us under Berne, but our position in negotiating with such a country will be stronger than it is now.

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* "Recommendations of the Task Force on Intellectual Property to the Advisory Committee for Trade Negotiations," at 2 (October 1985). The ten countries studied were: Singapore, Taiwan, Indonesia, Korea, Philippines, Malaysia, Thailand, Brazil, Egypt and Nigeria.

V. Berne Adherence is Now Urgent

The United States has sat out of the Berne Union for one hundred years. Why is adherence now urgent? There are at least three reasons.

First, the rapid pace of technological change demands continuing development of enforceable international copyright guidelines to accommodate new technology. The WIPO secretariat and Berne provide the best forum for analysis of these copyright issues, and the United States must be a part of the Berne Union to present its views effectively.

Second, the rapid pace at which copyright pirates have been undermining the value of U.S. works abroad makes imperative greater international protection for those works -- a goal achievable only if the U.S. becomes a full member of the international copyright community by adhering to Berne.

Third, steps toward Berne adherence now will enhance our ability to negotiate provisions for enforcement of Berne-based copyright standards in the forthcoming round of Multilateral Trade Negotiations of the GATT.

Resolution of the matters relating to Berne adherence may require a journey of many miles, but it must begin with a single step. Mr. Chairman, we commend you and the Subcommittee for holding these hearings as such a first step in Congressional consideration of adherence.

You -- together with your co-sponsors on this Committee -- have displayed insight and foresight in your introduction of S.J. Res. 169 to commemorate the 1990 Bicentennial of our first patent and copyright laws. We hope that in 1990 the United States will have a seat as a participating member at the Diplomatic Conference for the next revision of Berne.

I would be pleased to answer any questions you may have.

INFORMATION INDUSTRY ASSOCIATION MEMBER COMPANIES

March 27, 1986

ABC-CLIO
ACADEMIC PRESS, INC. (Harcourt Brace Jovanovich)
Access Innovations Inc.
Access Publishing Company
Admax, Inc.
Advanced Technologies Division (US West)
Aerospace Online (Murdoch Magazines)
Agenda Technology
AgriData Network (AgriData Resources)
AIRS inc.
The Alexandria Institute
Alpha Systems Resource
AMERICAN BANKER INC. (International Thomson)
AMERICAN CONNECTION, INC.
American Corporate Services
Ameritech Publishing, Inc. (Ameritech)
Ameritech Services, Inc.
Amidon/Litman Associates
AMTEC Information Services, Inc.
Aspen Systems
American Automobile Association Information Systems
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AT&T Network Systems
AT&T Technology Systems
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Bank of America Home Banking Services
base-line SYSTEMS corp.
Bechtel Information Services
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Berul Associates, Ltd.
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BioSciences Information Service
BNA Database Publishing Unit
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BNA's Research & Special Projects Division
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THE BUREAU OF NATIONAL AFFAIRS, INC.
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Business International Electronic Services

CACI's Federal Contract Information Services
CACI's Market Analysis Services
CACI's Transportation Data Services
California Database
California Information Company
Callaghan & Company (International Thomson)
Cambridge Research Institute
Cambridge Scientific Abstracts (Disclosure)
Cannon Associates
Carrollton Press, Inc. (International Thomson)
CCX Direct Marketing Network
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CES Publishing Corporation (International Thomson)
Chicago Board of Trade Information Systems and Telecommunications
Citibank Global Electronic Markets
Citibank Investor Services Technology Group
Citicorp Development Division
Citicorp Information Center
Citicorp Latino
Clark Boardman Company, Ltd. (International Thomson)
CMQ Communications Inc.
COADE (International Thomson)
Colonial Penn Information Services Corporation
Commodity News Services, Inc. (Knight-Ridder)
The Communication Studio
Compucon, Inc. (A.C. Nielsen)
Computer Business
Computer Science Capital Corporation
COMSAT General
Comsell, Inc.
Comtex Scientific Corporation

Conexus, Inc.
Conference Board Data Base
Congressional Information Service, Inc. (Elsevier)
The Connect Group, Inc.
Cooper Heller Research
COVIDEA
Cuadra Associates, Inc.

D&B Computing Services, Inc.
D.A.T.A., Inc.
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Data Courier, Inc.
Data Quality Administration (D&B)
Data Resources, Inc. (McGraw-Hill)
Data Retrieval Corporation
DATA SPECIFIC
DataBase Directory Service
Database Services, Inc.
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DATALINE DADOS INTERNACIONAIS LTDA.
Dataline Systems Limited
Datalogics Inc
Datapress Inc.
Datapro Research Corp. (McGraw-Hill)
Dataquest Incorporated (A.C. Nielsen)
Datasolve Database Information Service
Datatek Corporation
DATEXT, INC.
Derwent Inc. (International Thomson)
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Digital Equipment Corporation Electronic Publishing
Digital Equipment Corporation Videotex Marketing Group
Disclosure Information Group
F. W. Dodge Division (McGraw-Hill)
Donnelley Information Publishing
Donnelley Marketing Information Services (D&B)
Reuben H. Donnelley (D&B)
Dow Jones Information Services Group
DOWDEN COMMUNICATIONS, INC.
Dun & Bradstreet Canada Limited
The Dun & Bradstreet Corporation
Dun & Bradstreet Credit Services
Dun & Bradstreet International
Dun & Bradstreet Operations
Dun's Marketing Services
DunsNet
Dynamic Information Corporation

Eastman Publishing Inc. (International Thomson)
EasyLink Information Service (Western Union)
The Economist Publications and Data Services, USA
EIC/Intelligence, Inc.
Electronic Information Systems
Electronic Publishing Company, Inc.
Electronic Yellow Pages
Electronistore Services, Inc. (R.R. Donnelley)
ENVIRONET^{R} (COMSAT)
Equatorial Communication Services
Ergosyst Associates, Inc. Information Resource Center
Executive Telecom System, Inc. (BNA)
Exporter's Encyclopaedia (D&B)
Exxon Research Engineering Company

Faxon Network Services
Fidelity Investments
Financial Post Investment Databank
FINANCIAL SATELITTE CORPORATION
FIND/SVP
FINIS: Financial Industry Information Service (Bank Marketing Association)
FirsTel Information Systems, Inc. (U S WEST)
Fisher-Stevens, Inc. (IMS)
FOCUS Research Systems, Inc. (D&B)
Foursquare Software Corporation
FROST & SULLIVAN, INC.
Future Computing Incorporated (McGraw-Hill)
Future Systems, Inc.

Gale Research Company (International Thomson)
Gannett New Media Services
Garvin Information Services
Genix Corporation
GEOGRAPHIC DATA TECHNOLOGY, INC.
Glotele Network Ltd.
Alfred M. Goodloe Associates, Inc.
Goulston & Storrs (Route 128)
Greenwich Associates
Gregg Corporation
Grolier Electronic Publishing, Inc.
Group L Corporation
GTE Telenet Communications Information Management Services
GTE Telenet Communications Integrated Services
GTE Telenet Communications Network Applications
GTE Telenet National Accounts

J.E. Hall & Associates, Inc.
Hallmark Communications
Hambrecht & Quist, Inc.

HASTINGS TECHNICAL EQUITIES
Hayes/Hill, Incorporated
Healthcare Information Services Division, McGraw-Hill Information Systems Company
Ronald L. Henderson & Associates
Hill-Fay Associate, Inc.
Howard-Sloan Communications Search, Inc.
HUTTONLINE

IBM Corporation
ICC Information Group Ltd.
ICOMX
ICS Computing (Limited) **Ireland**
IDA Ireland
IMS INTERNATIONAL DATABASE SERVICES GROUP
Inet 2000
INACOM INTERNATIONAL (U S West)
Info Globe (International Thomson)
Infomart
Infonorth Computing Inc.
Informatics Information Systems & Services
Information America, Inc.
Information Consultants Inc. (BNA)
Information Consulting
Information Market Indicators, Inc.
Information Marketing International (Ziff-Davis)
INFORMATION ON DEMAND, INC. (Pergamon)
Information Sources, Inc.
THE INFORMATION STORE, INC.
Information Workstation Group
INFOSOURCE, Inc.
InfoTech
Inmagic Inc (Warner-Eddison)
Institute for Scientific Information ^{R} ("ISI"^{R})
INSTINET CORPORATION
Item Data Incorporated
Interline Communications Services, Inc. (U S WEST)
International Data Corporation
International Development Center
International MarketNet
International Thomson Business Press, Inc.
International Thomson Holdings
International Thomson Information Inc.
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ITT DIALCOM, INC.

J.L. Joslin Associates, Inc.
The Journal of Commerce

KEYCOM Electronic Publishing
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Knight-Ridder Business Information Services
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Kraus Thomson Organization Limited
Kyodo News International, Inc.

Landmark Publishing, Inc. (U S WEST)
Lambert Publications, Inc.
Langley Publications, Inc.
LaserData, Inc.
LaserVideo, Inc.
Lawler Associates
Learned Information, Inc.
Legi-Slate (Washington Post)
LINC Resources, Inc.
LINK Resources Corp. (International Data Corporation)
Arthur D. Little Information Industry Services
Local Area Telecommunications
LOGIN (Control Data)
Lotus Development Corporation Information Services Division
Rufus S. Lusk & Son, Inc.

Mainstay Software Corporation
Mainstream Data
Marintel Information Services, Inc.
Maritime Data Network, Ltd. ("MARDATA")
Market News Service, Inc.
McGraw-Hill Book Company
McGraw-Hill Broadcasting Co., Inc.
McGraw-Hill Financial & Economic Information Company
McGraw-Hill, Inc.
McGraw-Hill Information Systems Company
McGraw-Hill International Book Company
McGraw-Hill Publications Company
McPherson's America Inc.
MCTel Inc.
Mead Data Central
Media General, Inc.
Media Research Group (A.C. Nielsen)
Medical Economics Co. (International Thomson)
MENLO CORPORATION
Meredith Corporation
Meyers, Tersigni, Kaufman, Feldman & Gray
Micromedia Limited
Microvations, Inc. ("Touch and Go Systems")
Monchik-Weber
Money Market Directories Publishers, Inc.
Moody's Investors Service (D&B)
Moore Data Database Publishing Group
Mountain Bell (U S WEST)
MULTICOMM Telecommunications Corp.

National Computer Network Corp.
National Decision Systems
National Planning Data Corporation
National Register Publishing, Inc.
A.C. Nielsen Company (D&B)
NERAC, INC.
Nevada Bell (Pacific Telesis)
New York Futures Exchange
New York Stock Exchange Market Data Services
New York Videotex
NewsBank Inc.
Newsday Videotex Services (Times Mirror)
NewsNet Inc.
Newsweek (Washington Post)
Nielsen Business Services (A.C. Nielsen)
Northwestern Bell (U S WEST)
Novatron Information Corporation
NYNEX Corporation

Occupational Health Services, Inc.
Official Airline Guides (D&B)
Offshore Information Services Inc.
Ogilvy & Mather Videotex Development Group
Ohio Real Estate Services, Inc.
Omni-Facts Information Services
H.B. Oppenheimer, Inc.
Online Connection, Inc.
The Oryx Press

Pacific Bell
Pacific Bell Directory (Pacific Telesis)
Pacific Data Services, Inc.
Pacific Northwest Bell (U S WEST)
Pacific Telesis Group
Pacific Telesis International
PacTel Communications Systems (Pacific Telesis)
PacTel Directory (Pacific Telesis)
PacTel Finance (Pacific Telesis)
PacTel Infosystems (Pacific Telesis)
PacTel Mobile Companies (Pacific Telesis)
PacTel Properties (Pacific Telesis)
PacTel Publishing (Pacific Telesis)
PacTel Services (Pacific Telesis)
Paine Webber, Inc.
J. C. Penney Videotex Services
Pergamon InfoLine, Inc.
Petroleum Information Corporation (A.C. Nielsen)
Pharmaco-Medical Documentation, Inc.
Philips Subsystems and Peripherals, Inc.
Phillips Publishing Inc. — Publications Group
Pinpoint Publishing (HASTINGS TECHNICAL EQUITIES)
PLASPEC
The Pofcher Company
Port Import/Export Reporting Service (Knight Ridder) ("PIERS")
Post-Newsweek Stations (Washington Post)
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PRIVATE SATELLITE NETWORK, INC.
PsycINFO

QUANTUM Computer Services, Inc.
Questel, Inc.
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RCA Corporation, Home Information Systems Division
RCA's Automated Business Communications Products Group
READEX Microprint Corporation (NewsBank)
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Research One
Research Publications (International Thomson)
Reteaco Inc.
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Ruhl Information Management, Inc.
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I.P. SHARP ASSOCIATES LIMITED
Shepards (McGraw-Hill)
SilverPlatter, Inc.
Charles E. Simon and Company
SNET Directory Operations
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Software Marketing Associates
SONECOR Network Services (SNET)
SONECOR Systems (SNET)
Source Telecomputing Corporation
Southern New England Telephone ("SNET")
Southern Satellite Systems/CABLETEXT
Southwestern Bell Corporation
Southwestern Bell Mobile Systems, Inc.

Southwestern Bell Publications, Inc.
Southwestern Bell Telecommunications, Inc.
Southwestern Bell Telephone Company
Standard & Poor's Corporation (McGraw-Hill)
Standard Systems Corporation
States News Service
Stewart Data Inc.
Straat Group Incorporated
Strategic Business Marketing
Strategic Intelligence Systems
Sweet's Division, McGraw-Hill Information Systems Company

Tax Management, Incorporated (BNA)
TECHWORLD
Telcom General Corporation
Telebase Systems, Inc.
Telekurs AG Financial Information Division
Telerate Systems Inc.
Texas Instruments Incorporated
Textbase Associates
Thomas Register of American Manufacturers
Thomson & Thomson (International Thomson)
Tijl Datapress b.v.
Time Inc. - Magazine Group
TIMEINFORM Inc.
Times Mirror Videotex Services, Inc.
TMS Inc.
TORSTAR New Business Development Group (American Banker)
Touche Ross & Co.
Transdata
Trans-Lux Corporation
Travelmation Corporation
TRI-CO
Trinet, Inc.
TRINTEX (CBS/IBM/Sears)
TRI-TECH Data Solutions, Inc.
TRW Information Services Division

UNIPUB: InfoSource International
United Communications Computer Services Group
United States Satellite Broadcasting Company. Inc.
University Microfilms International
UPDATA Publications, Inc.
UPDATE, INC.
U S Telecom-Data Communications Company
U S WEST Corporate Communications
U S WEST Direct
U S WEST Financial Services
U S WEST, INC.
U S WEST Information Systems
U S WEST Material Resources
USACO Corporation
Utlas, Inc. (International Thomson)

Johan Van Halm & Associates
Van Nostrand Reinhold Company Inc. (International Thomson)
Venture Acceleration
Veronis, Suhler & Associates Inc.
Videodial, Inc.
VideoLog Communications
Videotex Communications
Viewdata Corporation of America, Inc. (Knight-Ridder)
Visual Information Systems Inc.
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Warren, Gorham & Lamont, Inc. (International Thomson)
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The Washington Post Company
West Indies Advertising Company. Inc.
WESTLAW
John Wiley & Sons, Inc.
Wilson & McLane, Inc.
Ann L. Winbald Consultants
The Winters Group

X*Press Information Services

Young & Associates

Zapodel Inc.

STATEMENT
# of the
UNITED STATES COUNCIL FOR INTERNATIONAL BUSINESS

before the

Subcommittee on Patents, Copyrights, and Trademarks

of the

Committee on the Judiciary

United States Senate

on the

Proposed Adherence of the United States

to the

Berne Convention

April 15, 1986

UNITED STATES COUNCIL FOR INTERNATIONAL BUSINESS
1212 Avenue of the Americas, New York, New York 10036 (212) 354-4480

Summary

The United States Council for International Business (USCIB) strongly supports United States adherence to the Berne Convention. The USCIB believes that such adherence is a necessary first step to securing adequate and effective international copyright protection for copyrighted works.

The economic role of the copyright industries has increased dramatically in recent years. Copyright also is constantly expanding in scope -- because of its application to new technologies -- and geographically -- because of the increasing importance of the copyright industries in world trade.

It is, therefore, critical that effective and enforceable standards of protection be afforded to copyrighted works. This issue is now of considerable urgency, because of the burgeoning business of international copyright piracy.

United States adherence to Berne will provide significant advantages to individual U.S. copyright proprietors, to U.S. copyright industries as a whole, and to the international copyright community.

Adherence to Berne will:

1) give the United States copyright relations with numerous countries with which we currently have none;

2) make it unnecessary for copyright proprietors to make use of the cumbersome and uncertain "back door" to Berne in order to secure Berne protection;

3) give the United States greater credibility in international copyright negotiations;

4) allow the United States to have a full voice in the discussions and deliberations of the Berne Convention, as that Convention continues to address issues such as protection for new technologies and the enhancement and modernization of international copyright.

Finally, adherence to Berne will facilitate United States efforts to link protection of international property to matters of international trade, particularly through the General Agreement on Tariffs and Trade ("the GATT"). The Berne minima could be adopted as an intellectual property code enforceable through the GATT, which -- contrary to the international copyright treaties and agreements -- contains a binding dispute-settlement mechanism. Only as a member of Berne, however, can the United States effectively argue for and help develop this important linkage between intellectual property and trade.

I. Introduction

The United States Council for International Business (USCIB) is a membership organization representing American business interests on international economic policy issues. Its primary objective is to promote an open system of world trade, finance and investment.

The USCIB represents United States business to the major international economic institutions and, on international economic matters, to the executive and legislative branches of the United States Government. In performing this function, it represents business views at the Organization for Economic Cooperation and Development (OECD) as the United States Member of the Business and Industry Advisory Committee (BIAC) to that organization. As the United States Member of the International Chamber of Commerce (ICC), it consults with the World Intellectual Property Organization (WIPO), which serves as the Secretariat of the Berne Convention,* and with various other United Nations bodies, for example, the U.N. Economic and Social Council (ECOSOC), the U.N. Conference on Trade and Development (UNCTAD) and the World Bank (IBRD). The Council also expresses its views as appropriate to other business organizations and governments, and expresses such views on issues before the European Community (E.C.), both as a member of the United States Industry Coordinating Group and as the secretariat of that Group.

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* The Berne Convention for the Protection of Literary and Artistic Works (Paris Act 1971), Article 24 (1)(b). References in this statement to provisions of Berne are to the 1971 Paris Act of that Convention unless otherwise indicated.

In committees of corporate and other business experts drawn from its membership, the Council formulates policy positions on a wide range of economic and financial matters. These include not only intellectual property but also matters of trade, finance and investment, telecommunications, transborder data flows, transportation, industrial relations, energy, natural resources, environment, taxation, banking, insurance, marketing, restrictive business practices, and arbitration.*

United States adherence to the Berne Convention is important to the membership of the United States Council for International Business, to the United States business community, and to the nation. The Council appreciates this opportunity to present its views.

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* A more detailed description of the membership profile, services and activities of the USCIB is attached at the end of this statement.

II. Background: Copyright Industries and their International Significance

The United States should adhere to the Berne Convention in its own national interest; as a contribution to securing the rights of authors everywhere; and as an indispensable step toward order and stability in world commerce in the broad range of works entitled to copyright protection.

The copyright industries are of enormous importance to the United States. In a report presented to this Subcommittee in 1984, the Copyright Office found that in 1977 the copyright industries contributed $55 billion to the United States economy, or 2.8% of the gross national product. This represented an increase of 40% over 1954.*

Also in 1977, the copyright industries provided employment to 2.2 million Americans, and in that year, "when the United States trade and current accounts became sharply negative, the balance of trade in the copyright industries remained substantially positive with a surplus of exports over imports of over $850 million."** The Copyright Office concluded that "the role of copyright industries in our economic life has profoundly increased" and predicted that that role will continue to increase.*

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* Report of the United States Copyright Office to Subcommittee on Patents, Copyrights, and Trademarks, Committee on the Judiciary, United States Senate, on the Size of the Copyright Industries in the United States, at 10 (1984).

** Id. at 17.

A later report, prepared for the American Copyright Council and based on 1982 data, concluded that the copyright industries contributed $140.9 billion to the gross national product that year, increasing their share of GNP from 4.6% to 5% in the two years between 1980 and 1982, and growing at a faster rate than the economy as a whole.** In that year, according to the Department of Commerce, the copyright industries earned an international trade surplus of $1.2 billion.***

As the copyright-related industries thrive and expand in the post-industrial Information Age, copyright's scope has expanded beyond traditional industries, such as publishing, motion pictures, television, music and sound recordings, into the newly-developing industries related to computer software, cable and satellite transmissions and other forms of new technology.*

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* Id. at 13.

** M. Rubin, The Copyright Industries in the United States: An Economic Report prepared for the American Copyright Council, at 9 (1985).

*** "U.S. Government Trade Policy: Views of the Copyright Industries," International Intellectual Property Alliance, at 2 (1985).

The copyright industries have expanded not only in size and scope but geographically as well. As the world becomes ever smaller, commerce in copyright industries increasingly is world commerce. However, there is no such thing as an "international copyright." Copyright is territorial. It is based on national laws, which are limited in their scope.

Therefore, no matter how carefully we structure and enforce United States copyright law and policy, United States law alone can provide no foreign protection for United States works in international trade. Without the protection of internationally-accepted copyright rules on which national laws must be based, United States copyright industries cannot compete effectively in world markets.

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* The protection of works in these new industries is compatible with the broad application of "literary and artistic works" (Berne, Article 1) to include "every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression." (Berne, Article 2). Preliminary Report of the Ad Hoc Working Group on United States Adherence to the Berne Convention, Chapter XIII, at 5-6 (1985). For computer programs specifically, such protection is also consistent with a consensus on the application of copyright law to such works. Report of the Group of Experts on the Copyright Aspects of the Protection of Computer Software (2/25/85 - 3/1/85), 21 Copyright 146 (1985); Keplinger, Legal Protection for Computer Programs: A Survey and Analysis of National Legislation and Case Law, UNESCO/WIPO/GE/CCS/2 (12/17/84).

cannot fund the investment necessary to continue to innovate, and cannot continue to lead the information revolution.

III. Current Structure of International Copyright Protection

Rules for national laws are provided by two major multilateral treaties which govern international copyright relations.

1. The Berne Convention is the older of the two, and was established in 1886. It is administered by the highly-skilled staff of the World Intellectual Property Organization (WIPO), which also administers other international intellectual property agreements, such as treaties relating to patents and trademarks.

2. The Universal Copyright Convention (UCC) was established in 1952. It is administered by UNESCO, an organization from which the United States has recently withdrawn, partly because of the increasingly influential role of the developing countries in that organization.

The United States is not a member of the Berne Convention, although Berne provides for greater protection than the UCC, to which the U.S. does belong.* In the words of one report, "Berne is the most comprehensive and most highly protective copyright treaty in the world."**

Both treaties operate on the principle of "national treatment": that is, each signatory nation accords to authors from foreign signatory states the same benefits which its domestic law confers upon its own nationals.*** Berne, however, also establishes minimum standards of protection, to which member countries must conform, and recognizes a longer list of the author's exclusive rights which must be protected.

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* The United States became a member of the original 1952 version of the UCC in 1955, and of the 1971 Paris revision in 1974. References in this statement to the UCC are to the 1971 Paris revision unless otherwise indicated.

** "U.S. Government Trade Policy: Views of the Copyright Industries," International Intellectual Property Alliance, at 13 (1985).

*** The principle of national treatment provides the basis for protection of copyrighted works, but the principle of reciprocal treatment may determine whether a particular work is eligible for protection. *See* Berne Convention, Articles 5(1) and 2(6).

A major impediment to Berne accession has been inconsistencies between the United States copyright law and the protection guaranteed by Berne. The United States has taken great strides since the nineteenth century, when it did not provide copyright protection to works of foreign authors, but United States copyright law still contains some provisions which are inconsistent with Berne.*

Although Berne adherence has been a Congressional objective at some level for close to a century, and conforming our statute to Berne was a consideration in the two decades of the revision effort which led to the 1976 Copyright Act, we still have not adhered.

IV. The Importance of Adherence to the Berne Convention

The United States must adhere to the Berne Convention if it is to preserve its leadership in the industries and enterprises shaped by intellectual property. Berne represents the best hope of establishing and elaborating adequate and effective standards of copyright protection in international trade. Recognizing this, the Administration has recently stated its intention to "vigorously pursue U.S. accession to the Berne Convention."*

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* See generally "Preliminary Report of the Ad Hoc Working Group on United States Adherence to the Berne Convention" (1985).

Therefore, we must make appropriate modifications in our statutory provisions to permit United States law to conform to Berne. For example, our law must be modified as concerns the manufacturing clause, 17 U.S.C. §601. That provision not only is an impediment to Berne adherence but has been held by the international community to be a violation of United States obligations under the General Agreement on Tariffs and Trade (GATT).** The manufacturing clause should be allowed to expire as scheduled in 1986, and appropriate other statutory changes should be made, so that the United States may become a full-fledged member of the international copyright community.

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* "Administration Statement on the Protection of U.S. Intellectual Property Rights Abroad," at 4 (April 3, 1986).

** See Statement before this Subcommittee of the Hon. Ralph Oman, Register of Copyrights, at Hearing January 21, 1986 on S. 1822 and S. 1938, 99th Congress, bills to make permanent the manufacturing clause of the Copyright Act, at pp. 14-16.

A. Immediate Advantages to the United States of Accession to Berne

An immediate and obvious advantage of adherence to Berne would be the multilateral copyright relations we would have with numerous countries with whom we currently share neither a multilateral nor a bilateral agreement. According to WIPO,* as of January 1986, 76 countries were signatories of one of the texts of the Berne Convention** and 78 countries were members of the UCC. There are numerous countries which adhere to Berne, but not to the UCC. In many of these countries -- such as Thailand, which is a major source of international piracy -- the United States has no effective bilateral copyright agreement and, therefore, has neither standing nor effective means to combat copyright infringement in that nation, no matter how damaging its impact on United States industries.

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* 22 Copyright 6-8, 12 (1986).

** The first text of the Berne Convention was signed one hundred years ago, on September 9, 1886. There were major revisions in 1908 (Berlin), 1928 (Rome), 1948 (Brussels), 1967 (Stockholm; substantive provisions never entered into force) and 1971 (Paris). Signatory countries are bound only by the provisions of the latest version which they have signed.

Recognizing the importance of Berne protection, many United States copyright proprietors have attempted to use the "back door" to Berne protection by publishing a work in a Berne Union country "simultaneously" with its publication in the United States. However, there are limitations on its effectiveness and burdens associated with its use.

For instance, "simultaneously" may mean different things, depending on which text of Berne applies to the relationship between the country in which the protection is sought and the country in which the "simultaneous" publication occurred. It may mean true simultaneity -- the earlier texts do not offer a variant from the strictly literal definition -- or it may mean within thirty days, as the Brussels (1948) and Paris (1971) Acts* liberally interpret it. The meaning of simultaneity is controlled by the applicable text, and the specifics of the rule are not always clear.**

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* Brussels Act, Article 4(3); Paris Act, Article 3(4).

** For example, Canada acceded to the Rome (1928) text of Berne which contains no definition of "simultaneous." Canadian domestic copyright law, however, construes simultaneous publication to be within fourteen days. Sec. 3(4), Copyright Act of 1952.

Even if simultaneous publication has been effected, enforcing the copyright against infringement in a foreign country can be significantly more difficult because of the need to prove the simultaneous publication. Where the question is close, it may be presumptuous to expect an excess of sympathy from foreign courts for the nationals of a major country which seeks protection through the back door because it has chosen not to adhere to the Convention and use the front door.

If the purported "publication" in the Berne country can be shown to be _de minimis_ and effected only for the purpose of satisfying the back door requirement, in some circumstances it may not suffice to secure Berne protection. Moreover, if the country of simultaneous publication is not the country where infringement is claimed -- as is likely to be the case -- the problems can be further exacerbated.

At the very least, it is costly and inconvenient for a copyright owner to comply with the requirement of simultaneous publication in a country where, in many cases, the copyright owner would not otherwise distribute concurrently with distribution in the United States. American companies should be able to set their distribution policies for United States works of intellectual property based on what makes economic sense in the marketplace, and not based on a need to slip into Berne by the back door.

It is not even clear that this back door will always remain open to us. For obvious reasons of geography, language and economics, Canada is frequently the Berne Union country in which simultaneous publication is attempted. Canada, however, has a statute which prohibits the importation into Canada of copyrighted books within 14 days after foreign publication.* The object of the law is to prevent use by a foreign author of simultaneous publication in Canada to secure Berne protection.** If the Canadians choose to enforce that law, which they have as yet not done, "simultaneous" publication in Canada might not remain an option for United States books.***

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* Sec. 28(2), Copyright Act of 1952.

** Fox, The Canadian Law of Copyright and Industrial Designs, at 493 (2d ed. 1967).

*** Currently, "simultaneity" under Canadian law means within fourteen days. *See* n.** on p. 11, *supra*. While this variant definition controls whether Canada will deem a publication to be simultaneous, it is not clear what weight would be given to Canada's interpretation in a different Berne country in which a United States author attempted to enforce a copyright, claiming entitlement to Berne protection as a result of "simultaneous" publication in Canada.

B. International Piracy: the Current Crisis

The current consideration of U.S. adherence to the Berne Convention comes at a time when international piracy of copyrighted works has reached devastating proportions. The International Intellectual Property Alliance has estimated that annual losses to United States copyright industries from piracy in ten representative countries* are over $1.3 billion.** In a comprehensive study prepared by the United States Copyright Office and presented to this Subcommittee in 1984, the figure was estimated to be over $1.5 billion.*** These losses are due "not to competition, not to sharp trading, but to plain theft on a grand scale."****

Copyright piracy undermines the international position of numerous companies in vital United States industries.

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* Singapore, Taiwan, Indonesia, Korea, Philippines, Malaysia, Thailand, Brazil, Egypt and Nigeria.

** Report by the International Intellectual Property Alliance to the United States Trade Representative, "Piracy of United States Copyrighted Works in Ten Selected Countries," at i (1985).

*** Statement of the United States Copyright Office, Hearing before the Subcommittee on Patents, Copyrights, and Trademarks of the Committee on the Judiciary, United States Senate, 98th Cong. 2d Sess., at 15 (September 25, 1984).

**** _Id_.

In a 1984 study of major communications industries prepared by a subcommittee advising the Office of the United States Trade Representative and chaired by Thomas H. Wyman, Chairman and Chief Executive Officer of CBS, Inc., it was reported that "[t]he most important trade barrier to the industries surveyed was copyright infringement."*

Copyright piracy undermines the international position of numerous companies in vital United States industries. The impact on some, such as those producing computer software, semiconductor chips and telecommunications, implicates potential issues of national security. In stating the issues and goals for United States trade policy in the next round of Multilateral Trade Negotiations of the General Agreement on Tariffs and Trade (the "GATT"), the Administration has emphasized that, for high technology products, "[p]rovisions for protecting intellectual property rights are also crucial. Inadequate protection currently drains away the comparative advantage from high technology products developed by the United States and other nations."**

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* "Trade Barriers to United States Motion Picture, Television, Prerecorded Entertainment, Publishing and Advertising Industries," CBS, Inc., at 16 (1984).

** Annual Report of the President of the United States on the Trade Agreements Program 1984-85, at 61 (28th Issue, February 1986).

Moreover, piracy impairs economic competitiveness in both these and the traditional copyright industries. The Task Force on Intellectual Property of ACTN, the Advisory Committee for Trade Negotiations, has identified piracy and counterfeiting as the "principal commercial problem facing the IP [intellectual property] industries."*

C. Adherence to Berne Is an Imperative for Full United States Participation in the Development of Intellectual Property Rules

While adherence to Berne will not automatically eliminate these problems for United States authors, it is a necessary first step in enabling this country to deal with the problems effectively. Without membership in Berne, the United States lacks credibility in the international arena: it does not adhere to Berne but nonetheless seeks to induce less-developed countries to adhere. The anomaly is apparent and undercuts the influence of United States negotiators. The United States must not appear -- nor be -- hypocritical in its efforts to combat burgeoning international piracy.

Our lack of adherence to Berne also deprives us of necessary copyright relations with numerous countries which, while adhering to Berne, neither belong to the UCC nor share an effective bilateral arrangement with the United States. At least two of these countries -- Egypt and Thailand -- harbor serious piracy problems. While our adherence to Berne will not necessarily induce them to abandon their lucrative piracy businesses to comply with the treaty, the United States would at least have a firm legal position for its claims of infringement.

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* "Recommendations of the Task Force on Intellectual Property to the Advisory Committee for Trade Negotiations," at 4 (Summary of Phase I, October 1985).

In broader perspective, the United States must join Berne so that it can participate fully in the international copyright community in its efforts to expand and enhance the protection which the international conventions promise. Multilateral fora, such as that provided by the Berne Convention, are, in the words of the Copyright Office, "at a minimum, an opportunity for all countries to explore in a systematic, scholarly and consultative way the on-going problems of modernizing copyright."* Without adherence to Berne, our voice is not heard, and indeed may not even be raised.

D. Trade Issues and International Copyright

Within the last decade, the United States has commenced efforts to link international protection of intellectual property to issues of trade.* For example, the Administration is increasing its efforts to protect intellectual property rights here and abroad through the use of trade-based instruments and procedures.** In furthering those efforts, adherence to Berne would enable the United States to be more persuasive in its direct bilateral negotiations with problem countries and in negotiating for appropriate inclusion of intellectual property issues in the next round of Multilateral Trade Negotiations in the GATT,*** an objective which the Administration has enthusiastically endorsed.****

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* Copyright Office Statement, cited at n.** on p. 14 supra, at 182.

The GATT can provide a vital mechanism to enforce intellectual property agreements which are brazenly disregarded by international pirates. Berne and the UCC provide guidelines for the protection of copyrighted works, and WIPO provides a source of technical expertise and guidance; but there is no enforcing body or enforcement mechanism in either the Conventions or in WIPO. Berne, for example, entrusts enforcement to the laws of the country where infringement is claimed. "Member countries are free to decide on procedure e.g., to entrust it to the courts or to customs officers, and to lay down who may demand it."*

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* See, e.g., Annual Report of the President of the United States on the Trade Agreements Program 1984-85, at 54, 61, 92 and 143 (28th Issue, February 1986).

** Administration Statement on International Trade Policy, September 23, 1985, id. at 115.

*** General Agreement on Tariffs and Trade. The GATT is both a multilateral instrument and a forum for negotiations and consultations.

**** "Administration Statement on the Protection of U.S. Intellectual Property Rights Abroad," at 4 (April 3, 1986).

The GATT, however, contains a binding dispute-settlement mechanism which can supplement the advantages of Berne adherence.** Moreover, the GATT membership consists of 90 countries which could, at least theoretically, be called to task for committing or condoning copyright infringement. Significantly, key piracy centers such as Singapore, Korea and Malaysia, which do not belong to either international copyright treaty, are members of the GATT. Other major piracy centers such as Egypt and Brazil, which disregard the copyright protections they agreed to uphold when they acceded to one or both of the treaties, belong to the GATT.

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* Masouye/Wallace, Guide to the Berne Convention, World intellectual Property Organization ("WIPO Guide") at 97 (1978). Article 33(1) of Berne permits members to bring "disputes ... concerning the interpretation or application of this Convention" before the International Court of Justice, but a decision of that court carries no condemnation, and this provision of Berne has apparently not been used by any member country. WIPO Guide at 137-138.

** Articles XXII and XXIII, General Agreement on Tariffs and Trade. Inclusion of intellectual property issues within the GATT could also provide other advantages, such as greater political leverage for trade officials and the use of linkages to other trade and investment issues. See J. Gorlin, "A Trade-Based Approach for the International Copyright Protection for Computer Software," at 27 (1985).

The development of an intellectual property code within the GATT would be facilitated as to copyright by the acceptance of the Berne minima as international copyright standards enforceable by the GATT. Such a code would not represent a major new undertaking for GATT, because it is already considering an anti-counterfeiting code. An intellectual property code, then, would represent an extension of GATT's present interest in trademarks into the intellectual property area generally.

As concerns our domestic law, we commend the Congress for having demonstrated its sensitivity to the importance of intellectual property by linking it to international trade considerations in legislation such as the Caribbean Basin Initiative (Caribbean Basin Economic Recovery Act, P.L. 98-67, Title II, effective June 30, 1983) and the Trade and Tariff Act of 1984 (P.L. 98-573, §§251, 303-305, 501-505) renewing the Generalized System of Preferences, and extending the definition of "unreasonable" or "unjustifiable" trading practices in Section 301 of the Trade Act of

1974 to include the inadequate protection of intellectual property.

Future multilateral and bilateral trade initiatives of the United States should take advantage of the powerful inducement which United States trade benefits can provide to negotiate a higher level of enforceable copyright protection.

V. Conclusion

Effective trade in the international intellectual property community requires implementing and enforcing a full panoply of rights and obligations. The United States can become a full-fledged partner in that effort only by doing its part to develop a more dependable world order to protect copyright. We must attempt to overcome the resistance of those countries which believe, however wrongly, that effective copyright protection is not in their national interest.

That effort must include persuasion, protocol, and pressure. It must include the presentation of United States views and interests within the Berne Convention; and we can present those views and interests effectively only by adhering to Berne.

The problems of developing effective protection for works in world commerce are daunting, but we believe a national resolve to address these problems is emerging in the Congress, the Executive, and the private sector. Adherence to Berne is not the entire answer, but it is a critical part of the answer.

Adherence to Berne finally will realize the long-held objective of bringing the United States into the more mature and more highly-developed international copyright treaty. At the same time, it will facilitate acceptance of the Berne minima as the copyright standards for an intellectual property code in the GATT.

Adherence will establish direct United States copyright relations with numerous countries with which we now have none and, in direct discussions abroad, it will facilitate the task of U.S. officials who seek to improve protection of our intellectual property rights by silencing questions as to why we have not yet joined. Adherence will strengthen the influence of WIPO, which is superior to UNESCO in its technical ability to deal with complex and changing international copyright issues, and it will give the world's principal copyright-exporting nation a necessary and rightful place in the Berne councils and deliberations.

Our adherence to Berne will fulfill a long-standing goal of United States foreign policy. That fulfillment has long been delayed. Our national interest now makes it imperative.

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June 16, 1986

Senator Charles McC. Mathias, Jr.
Chairman
Subcommittee on Patents, Copyrights,
and Trademarks
Committee on the Judiciary
United States Senate
Washington, D.C. 20510

Re: United States Adherence to the Berne Convention

Dear Mr. Chairman:

On behalf of both the Information Industry Association (IIA) and the United States Council for International Business (USCIB), we transmit responses to the questions in your May 21, 1986 letter. Unless otherwise indicated, both organizations join in these answers.

We are enclosing, as well, two Memoranda of Supplemental Comments, one on behalf of the USCIB [Enclosure "A"] and one on behalf of the IIA [Enclosure "B"], on certain provisions of the draft enabling legislation distributed prior to the April 15, 1986 Subcommittee hearing.

* * * * *

[Questions 1 & 2: Has our absence from Berne hurt any U.S. copyright objectives? Has it been raised by other countries against our request that they accord us reasonable kinds of copyright protection?]

[The Berne Convention has been in existence for a century now; yet U.S. copyright holders have built important markets in many foreign countries. How has our absence from the Berne Convention hurt us?]

Answer: Absence of the United States from the Berne Union sets this country apart from the most important international copyright community. While it is hard to assess precisely all of the problems which this has caused U.S. copyright proprietors, U.S. prestige in the world copyright community has been significantly impaired. This translates into diminished U.S. influence in the resolution of international copyright issues.

Moreover, adherence to Berne is important if the U.S. is to help shape the continued development of international copyright protection. The United States now attends Berne meetings solely as an observer. We must join Berne to participate as a member at its meetings, particularly at the revision conference scheduled for 1990.

WIPO, Berne's secretariat, is an important body for interpreting copyright to ensure that copyright can continue to meet new challenges, such as the special issues raised in connection with protection for new uses of works and, generally, for works of new technology. WIPO is staffed with legal and technical experts so that such work does not depend on national representatives, but may proceed as a continuous, scholarly enterprise.

The high level -- in quality and quantity -- of our creative output in the arts and literature and in the information and communications industries has allowed the United States to develop thriving foreign markets, despite constraints imposed by an imperfect international copyright regime. The copyright industries are of enormous -- and increasing -- economic importance to the United States. One report found that, in 1982, they contributed $140.9 billion to the gross national product. Much of our trade in these industries is now international, and any obstacle to securing high levels of international copyright protection can only impede their further growth.

Especially now, when copyright piracy has reached devastating proportions, it is critical that the United States exert influence in the international arena. With the emergence of the developing nations and the unchecked growth of copyright piracy in many of those countries, continued growth of United States foreign markets is in jeopardy.

In addition, circumstances have altered dramatically over the last fifty years, and commerce in copyrighted works is now overwhelmingly world commerce. As we seek to persuade other nations to adopt high levels of protection for copyrighted works, it is hypocritical of the United States to continue to turn its back on Berne. Our negotiators cannot persuade countries like Korea and Singapore -- which provide inadequate protection for and enforcement of intellectual property rights -- to adhere to the high standards of Berne if we do not adhere to them ourselves.

> [Question 3: Is there any perceptible difference between the copyright laws and the quality of copyright protection in those developing countries that belong to Berne and those that belong only to the Universal Copyright Convention (UCC)? How well has Berne done in the Third World? Has the UCC been widely accepted there?]

Answer: Although a number of developing countries belong to only one of these Conventions, many belong to both. In the brief time available for the preparation of this response, it is therefore not possible to assess fully the differential between how well Berne has done and how widely accepted the UCC has been in such countries, and to conduct the necessary detailed country-by-country analysis of copyright in the respective categories of single and overlapping treaty membership.

The effectiveness of protection in any country is a matter not only of the formal content of its copyright laws, but of the reliability of their enforcement, in the courts and elsewhere. An assessment of how well Berne has done in the Third World would require a sophisticated collection and interpretation of data, and a professional design for such a study. The information, however, would be helpful in formulating trade policy and legislation which might be linked to effective protection of United States intellectual property by our trading partners. Continuing information could be provided to the Congress by a private research organization under contract or by in-house analysis by a government agency, such as the office of the United States Trade Representative.

> [Question 4: Most major countries that belong to the UCC also belong to Berne. U.S. works receive the benefits of Berne protection in these countries, since the UCC requires national treatment, i.e., you must treat the works of foreign authors the same as your own. Why can't we go on this way? Given the openness of our markets, is there really any practical reason why this arrangement can't continue? In other words can't we get the benefits of Berne without having to incur any of the costs through changes in our domestic law?]

Answer: It probably would be possible for the United States to continue enjoying the benefits of Berne without assuming its obligations. For a number of reasons, though, this is an unacceptable course.

First, adoption of this unfair approach undermines United States prestige in international dealings on copyright matters. Thus, even if a given country belongs both to the UCC and to Berne so that we can acquire the high Berne level of protection without making use of the back door, there is the accurate perception that the rich, powerful United States is trying to get more protection than it is willing to give. This point has been touched on in the answer to questions #1 and 2 above, and is elaborated in the testimony that the IIA and the USCIB each submitted to this Subcommittee on April 15, 1986.

Moreover, while United States copyright proprietors now enjoy protection in countries which adhere to Berne and not to the UCC by effecting simultaneous publication of their works in a Berne Union country -- and thus entering Berne through the "back door," -- this route is cumbersome, expensive and uncertain. (See, e.g., April 10, 1985 Letter from Gunter A. Hauptman, IBM Corporate Patent Counsel, to Harvey J. Winter of the United States Department of State, attached hereto as Exhibit 1). In addition, there is always the threat that continued use of the back door will lead to retaliation by other countries, which resent the United States's "cheating" in this way. (See generally USCIB Testimony, pp. 12-14 and IIA Testimony, pp. 10-12).

A third disadvantage, as noted in the answer to questions #1 and 2 above, is that our rejection of membership in Berne deprives us of the right to participate in the continuing process of development, interpretation and extension of that treaty.

Finally, as described in pp. 18-22 of the USCIB Testimony, it is imperative that the United States adhere to Berne if we plan to encourage adoption under the General Agreement on Tariffs and Trade (GATT) of a copyright code based on the Berne standards in an effort to combat the burgeoning problem of international piracy.

Question 5: Everyone is interested in the special copyright problems which are presented by new technology. How would adherence to Berne affect our ability to respond to these challenges?]

Answer: As noted above in the answer to questions #1 and 2, WIPO is the pre-eminent international body for examining international law and adapting copyright and intellectual property generally to the issues and demands of new technology. Examples of this are the meetings of international committees of experts convened by WIPO with respect to such matters as cable television, satellite transmissions, computer software and the mask works embodied in semiconductor chips, and studies of such matters initiated by the WIPO secretariat.

Further, Berne offers the double advantage of high minimum standards of protection combined with flexibility in the interpretation and application of copyright principles -- both matters of especial importance for new uses of works and for works of new technology generally. Also, of course, as will be discussed in the answer to question #7, a major benefit for works of new technology is the absence of formalities under Berne.

> [Question 6: In terms of work-for-hire, are we looking at a serious legal conflict between our law and Berne obligations, or does Berne try to leave room for countries such as the U.S. to maintain their long-standing rules governing work-for-hire and copyright ownership-authorship?]

Answer: The answer to the first part of this question is, in a word, "no": there is no conflict. As explained in Chapter 14 of the Preliminary Report of the Ad Hoc Working Group on U.S. Adherence to the Berne Convention, Berne discusses protection of the rights of an "author," but the Convention contains no definition of the term.

This omission is deliberate, as explained in the Masouye/Wallace Guide to the Berne Convention (1978) at 11:

> "The Convention speaks of 'the rights of authors in their works' but it does not

> define the word 'author' because on this point...national laws diverge widely, some recognizing only natural persons as authors, while others treat certain legal entities as copyright owners, some imposing conditions for the recognition of authorship which others do not accept."

Berne allows room for these differing approaches to authorship among its member countries. Adherence to Berne, then, will not threaten the long-established United States scheme of authorship and ownership of copyright which includes recognition of employers or commissioning parties, in appropriate circumstances, as the "authors" of copyrighted works.

> Question 7. In your testimony you state that the no-formalities approach in Berne is better for protecting software and databases. Please elaborate.]

Answer: The IIA addressed this matter on pp. 7-9 of its written testimony, submitted prior to the April 15, 1986 Subcommittee hearing. The IIA elaborates on the points made in that testimony on pp. 2-3 of its Memorandum of Supplemental Comments on the 4/15/86 Draft Implementing Legislation [Enclosure "B" herewith].

In addition, for the Subcommittee's convenience, we enclose a copy (without exhibits) of the March 29, 1985 letter we submitted for the IIA to Dorothy M. Schrader, General Counsel of the Copyright Office, in connection with the Copyright Office's consideration of regulations concerning the deposit and registration of data bases (Exhibit 2 hereto). We believe the letter may provide the Subcommittee with further information as to the complications associated with use of copyright formalities in protection for works of new technology.

> [Question 8: In your testimony you mention the relationship between Berne and the General Agreement on Tariffs and Trade (GATT). One

proposal is to incorporate the Berne standards in a GATT code, and apply the dispute resolution mechanisms of the GATT to copyright disputes. But what about the enforcement procedures already available under Berne? Are they superior to those available to us under the Universal Copyright Convention? Should the Berne dispute resolution mechanisms be improved, and can we participate in improving them without joining Berne?]

Answer: Neither the UCC nor Berne has effective mechanisms for dispute resolution. The issue of ineffective enforcement of copyright protection has been addressed -- and set aside as insoluble -- with respect to both treaties (see J. Gorlin, "A Trade-Based Approach for the International Copyright Protection for Computer Software" (1985) at 18-22).

It is not feasible for the governing bodies of either Convention to police individual member nations. The only avenue of redress provided for in the Conventions is that of recourse by member nations to the International Court of Justice (Berne, Art. 33; UCC, Art. XV). In fact, however, no such dispute has been brought to the ICJ in the thirty-seven years since Art. 33 first appeared in the Berne Convention. Gorlin at 22. There currently exists no effective international enforcement mechanism for the actual application of treaty requirements in particular disputes concerning copyright, as opposed to the general and theoretical interpretation of the Conventions.

The GATT, on the other hand, has in place a system of dispute resolution and sanctions which allows enforcement of the rights guaranteed under that Agreement. Adoption of a code for copyright protection under the GATT would permit enforcement of copyright as to all of the countries signatory to that code. Moreover, integration of copyright and trade issues seems particularly appropriate in a world where commerce is both increasingly global and significantly affected by works of intellectual property.

[Question 9: One approach to making our laws compatible with Berne obligations is a two-tier system, one for domestic works and one for foreign works of Berne members. Would the organizations you represent support adherence to the Berne Convention if such a dual system was adopted?]

Answer: As a matter of principle, a two-tier system of protection is an unacceptable resolution of the conflicts which exist between Berne and certain provisions of United States law. The IIA and the USCIB are each submitting Supplemental Comments which address this point, however, expressing a difference between the two organizations on this question. See Enclosures A and B herewith, the Memoranda of Supplemental Comments of USCIB and IIA, respectively.

The United States should set as its goal implementation of a unitary and fair system of copyright protection. However, because the complexity of amending our statute to implement such a system might prevent prompt accession to Berne, both the IIA and the USCIB would accept a two-tier system as a transitional measure. Both groups strongly urge that the Congress include a statement of purpose in the Berne enabling legislation which explicitly sets forth its intention to work toward a one-tier system of protection at the earliest possible date.

[Question 10: Experts are divided on whether U.S. registration of copyright is incompatible with Berne. Assuming the Ad Hoc Group's assessment of incompatibility is correct, two options are available: (1) require registration for enforcement of copyright [in] non-Berne works; or (2) replace mandatory registration with procedural and remedial benefits that would encourage registration. Other Berne countries, such as Canada, India and Mexico, presently use permissive registration as evidence of copyright validity. Nevertheless, any modification of the present registration scheme could be to the detriment of the Library of Congress. Which option would you prefer?]

Answer: This question outlines the two alternatives proposed in the draft enabling legislation, but it omits an obvious third alternative: complete abolition of the registration system. Such a solution would, of course, do away with any need for a two-tier system as to registration.

Considering the three options, both IIA and USCIB would recommend that alternative 1 be rejected. Determination of whether alternative 2 or 3 would be preferable should be made on the basis of the results of a cost-benefit survey to be conducted by the Subcommittee or by the Copyright Office regarding the likely consequences of implementing each of the two options.

The question of the possible impact on the Library of Congress is an important one, but both USCIB and IIA believe this concern to be unjustified. Deposit in the Library of Congress of copies of copyrighted works need not be tied to a system requiring registration of such works. Indeed, even our current statute contains §407, which requires deposit of published works, subject to certain exceptions, regardless of whether registration under §408 is sought.

Many European countries -- e.g., the United Kingdom, France and Italy -- have divorced from their copyright laws mandatory provisions requiring the deposit of copyrighted works so as to build and maintain national archives. Such a deposit ("dépôt légal") is not a condition of protection or enforcement of copyright. Violation of the requirement usually results in a fine. Switzerland goes even further, and operates a voluntary deposit system ("dépot gratuit"). See generally E. Dunne, "Deposit of Copyrighted Works," Study No. 19, Studies Prepared for the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, 88th Cong., 2d Sess. (1960).

This approach appears to have worked in many countries with valuable cultural heritages. It certainly should be explored for implementation in this country. Deposit and registration are not inseparable, and should not be considered as such. Transition to a new deposit arrangement can be made without harming the Library of Congress.

> [Questions 11 & 12: The Ad Hoc Working Group identified the notice formality as incompatible with Berne. A solution proposed by the Copyright Office was to dispense with requiring notice on works of foreign origin. Elimination of the notice requirement would save money now spent on its administration, and dispose of the burdensome task of placing copyright notices on information products and services. But the notice provision has facilitated the resolution of conflicting transfers, the reversion of rights after termination, and the acquisition of permission to use a work. If the above proposal is adopted, how might the present benefits of notice be retained?
>
> How are matters of copyright ownership and chain of title handled in licensing activities and other commercial transactions in the major Berne countries, in the absence of copyright notice, registration, deposit and recordation?]

Answer: The questions posed here are serious and important ones. Neither USCIB nor IIA has sufficiently detailed information at this time to prepare the answers to these questions, but suggests as possible sources of such information for the Subcommittee the following:

(1) The incomplete study on the costs and benefits of registration in the motion picture and fabric industries which was commissioned from King Research by the Copyright Office in 1981 might provide useful insight and information.

(2) The information contained in that report could be supplemented by commissioning a follow-up study through the General Accounting Office (GAO) or through another appropriate government body.

(3) Another option would be for the Subcommittee to invite comment from experts abroad as to how these problems are dealt with in a formalities-free copyright system. The comments could be solicited as oral or written testimony, responses to written questions or an invitation to submit scholarly monographs on the subject.

* * * * *

If we may be of further assistance in providing views on these matters, we hope that you or your staff will let us know.

Both the IIA and the USCIB, and we personally, thank you again for your sensitive and thorough attention to the question of Berne adherence and to copyright and intellectual property issues generally.

Sincerely,
SCHWAB GOLDBERG PRICE & DANNAY
Morton David Goldberg
Morton David Goldberg

MDG:br
Encs.

EXHIBIT 1

International Business Machines Corporation

Office of Corporate Patent Counsel
2000 Purchase Street, Purchase, New York 10577

April 10, 1985

Mr. H. J. Winter, Director
Office of Business Practices
(EB/IFD/BP/3531A)
U.S. Department of State
Washington, D.C. 20520

Dear Harvey:

IBM favors adherence by the U.S. to the Berne Convention.

Currently, IBM protects its computer software products throughout the world by simultaneously publishing software products in the United States and Canada. The additional protection achieved via the Canadian back-door to Berne includes rights not provided under the UCC and extends to countries not adhering to the UCC. A recent internal analysis shows that this is a necessary procedure and that no reasonable alternatives exist.

Simultaneous publication is both expensive and inconvenient. For example, while the Canadian market's size does not necessarily justify marketing of every IBM software product, we must nevertheless prepare and make available for distribution in Canada numerous products that we want to bring under Berne. I am certain that this same redundant and non-productive procedure is used by other companies in our industry.

Were the U.S. to adhere to Berne, IBM would directly obtain the advantages of that treaty and avoid the significant expenses required for the indirect approach. I believe that the savings to the U.S. computer industry will be measured not only by expenses avoided, but also by productivity gained.

Sincerely,

Gunter A. Hauptman
Corporate Patent Counsel

EXHIBIT "1" TO LETTER OF JUNE 16, 1986 FROM SCHWAB GOLDBERG PRICE & DANNAY TO HON. CHARLES McC. MATHIAS, JR.

EXHIBIT 2

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HAROLD J. DRESCHER
COUNSEL

March 29, 1985

BY HAND

Dorothy M. Schrader, Esq.
General Counsel
Copyright Office
Room 407
James Madison Memorial Building
First Street and Independence Avenue, S.E.
Washington, D.C. 20559

Re: Proposal for Revision of Copyright Office Regulations, 37 C.F.R., Part 202, for Registration and Deposit of Machine-Readable Databases

Dear Ms. Schrader:

On behalf of the Information Industry Association ("IIA"), to whom we are Proprietary Rights Counsel, we submit the enclosed proposal.

The text of the proposal is on Exhibit 1 hereto.

Exhibit 2 contains a comparison of the language of the IIA proposal with the relevant portions of the existing regulations and of the pending proposal by the Copyright Office for amendment of the deposit regulations (50 Fed. Reg. 6208-6217, Feb. 14, 1985).

Exhibit 3 contains our explanatory comments on the language proposed by IIA. These comments are keyed to the

EXHIBIT "2" TO LETTER OF JUNE 16, 1986 FROM SCHWAB GOLDBERG PRICE & DANNAY TO HON. CHARLES McC. MATHIAS, JR.

bracketed letters which appear next to the text of the IIA proposal on Exhibits 1 and 2.

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I. INTRODUCTION

Databases serve a critical function in our information-oriented society. Copyright ordinarily subsists in the contents of these databases either as compilations or as other works of authorship (*e.g.*, an online service might have protection both as to a full-text compilation of articles and as to its own authorship of abstracts for the articles). Such protection, however, serves no function unless it can be enforced; and at present, copyright owners of databases are often denied such enforcement by the absence of a practical mechanism for registration and deposit.

In one perspective, automated databases can be divided, roughly, into two (not necessarily mutually exclusive) categories. They may consist of periodic *additions* which continuously enlarge a body of information, or they may consist of periodic *replacements* of the body of information. Examples of each are (1) a bibliographic index, to which new titles are added, but from which titles are infrequently deleted, and (2) a moment-by-moment representation of fluctuating economic values relating to commodities, securities or the like.

II. REASONS FOR REGISTERING A DATABASES

The reasons for registering a database include the following:

-- the database owner usually must register before suing for copyright infringement (17 U.S.C. §411(a));

-- if the registration is made before the database is published, or within five years after first publication, the certificate is prima facie evidence of the facts it states and of the validity of the copyright (17 U.S.C. §410(c));

-- the owner preserves his right to claim statutory damages and discretionary counsel fees (i) against an infringer of an unpublished database, if the registration is made before the database is infringed; or (ii) against one who infringes at any time after publication, if the registration is made within three months after the publication (17 U.S.C. §412).

III. REGISTRATION AND DEPOSIT -- WHAT THE STATUTE SAYS

As particularly relevant to registration and deposit of databases, the Copyright Act states:

> "... The regulations may require or permit, for particular classes, the deposit of identifying material instead of copies ..., or a single registration for a group of related works." 17 U.S.C. §408(c)(1)

[We read the second "or" as meaning "and/or"]

Therefore, the Copyright Office has clear statutory authority to issue regulations permitting a single copyright registration for a group of related works.

IV. REGISTRATION AND DEPOSIT -- COMMENTS BY THE COPYRIGHT OFFICE, AND THE EXISTING REGULATIONS

A. Group Registration

1. Copyright Office comment on group registration.

When the Copyright Office issued its 1978 regulations, it said, as to registration for groups of related works:

> "... Group Registration. Several comments requested special provisions for group registration, under section 408(c)(1) of the Act, of revisions and updates of automated databases, works of arts, and other works. We are fully aware of economic hardship and practical difficulties in making separate registrations for certain types of related works, and we intend to formulate regulations implementing the statutory provision for group registration in the near future. We invite further comments and suggestions as to the type of related works that could be covered by group registration and the deposit and registration requirements applicable in these cases." (43 Fed. Reg. 763 (Jan. 4, 1978))

> "... [W]e have reserved for implementation in a separate proceeding, the

possibility of providing for 'a single registration for a group of related works' under paragraph (c)(1) of section 408. We invite comments and suggestions as to the types of related works that could appropriately be covered by group registration under section 408(c)(1), together with suggestions as to the deposit and registration requirements that might be applicable in these cases." (43 Fed. Reg. 965 (Jan. 5, 1978))

2. The regulation on group registration.

Notwithstanding the above, the portion of the regulation pertinent to group registration of related works, §202.3(b)(4), now says only:

"§202.3 Registration of copyright.

"(a) General.

"(1) This section prescribes conditions for the registration of copyright, and the application to be made for registration under sections 408 and 409 of Title 17 of the United States Code, as amended by Pub. L. 94-553.

" ....

"(b) Administrative classification and application forms --

" ....

> "(4) Group registration of related works. [Reserved]."

B. Deposit.

1. Copyright Office comment on deposit of machine-readable works.

When the Copyright Office issued its 1978 regulations, it stated as to the deposit requirements for machine-readable works generally:

> "A number of comments raised other issues relating to the deposit requirements for registration of machine-readable works. We recognize that the application of our requirements to the rapidly developing technology of storing and retrieving information may require further refinement. At the present time, however, we consider it appropriate to develop further experience with the regulations before considering additional amendments." (43 Fed. Reg. 763 (Jan. 4, 1978))

Also germane are the comments of the Copyright Office when it proposed regulations (42 Fed. Reg. 59302 (Nov. 16, 1977)) for special relief as to both the separate Library of Congress deposit requirements (under §407 of the Act) and the Copyright Office deposit requirements for registration (under §408 of the Act). In support, the Office quoted the policy stated by Congress when it enacted §407(c):

> "The purpose of this provision is to make the deposit requirements as flexible as possible, so that there will

> be no obligation to make deposits where it serves no purpose, so that only one copy or phonorecord may be deposited where two are not needed, and so that reasonable adjustments can be made to meet practical needs in special cases."
> (H.R. Rep. 94-1476, p.151)

2. The regulation on deposit.

The specific provision on deposit for databases fixed or published only in machine-readable form is §202.20(c)(2)(vii)(B), and the provision on Special Relief is §202.20(d). They are set forth on Exhibit 2 hereto.

V. THE IIA PROPOSAL

A. The Primary Purpose of the Database Deposit

In the view of the IIA, it does not appear practical to expect or require database deposits to serve as documentation of the complete identity of the work's contents, either to show the full extent of what is registered or to evidence the entirety of the work the owner may claim has been infringed. That burden must remain the owner's.

It seems more appropriate to focus on the type of deposit necessary to enable the Copyright Office to determine copyrightability; and that is the focus of the IIA proposal.

B. The Overview of the IIA Proposal

IIA proposes:

1. group registration of databases as related works (the addition of a new §202.3(b)(4));

2. clarification of the existing regulation for depositing machine-readable databases (the revision of present §202.20(c)(2)(vii)(B));

3. an alternative arrangement for deposit of revised versions of machine-readable databases, by utilizing a descriptive statement which incorporates by reference the material representations made to the Office with the deposit of earlier versions (the addition of a new §202.20(c)(2)(vii)(C)); and

4. deposits in connection with group registrations by utilizing a combination of the two deposit provisions just described (the addition of a new §202.20(c)(2)(vii)(D)).

The details of these provisions are set forth on Exhibits 1 - 3 hereto, including a comparison with the language of the existing regulations (Exhibit 2) and a set of explanatory comments (Exhibit 3).

* * * * *

The IIA proposal seeks to avoid unnecessary immersion of either the applicant or the Copyright Office Examiner in aspects of the complex -- and rapidly-changing -- technology of computerized databases which are extraneous to copyrightability.

The rapid currents of change may soon make murky even that which is now fathomable, but we believe the proposal would, at least for the near future, substantially assist the Office, database owners and the public.

The IIA, and we, look forward to discussing this proposal with you further.

Sincerely,

SCHWAB GOLDBERG PRICE & DANNAY
Morton David Goldberg
Morton David Goldberg

MDG:br
Encs.

June 16, 1986

UNITED STATES COUNCIL FOR INTERNATIONAL BUSINESS

Supplemental Comments Concerning 4/15/86 Draft Implementing Legislation for United States Adherence to the Berne Convention

The United States Council for International Business (USCIB) thanks both the Copyright Office and the staff of the Senate Judiciary Subcommittee on Patents, Copyrights, and Trademarks for their preparation of the Draft Discussion Bill distributed at the Subcommittee Hearing on April 15, 1986 containing proposed implementing legislation to permit adherence to the Berne Convention.*

We are grateful for this substantial effort, and wish to reaffirm our full support for early Berne adherence, as indicated in our statement submitted to the Subcommittee prior to the Hearing. In addition, we have certain concerns and suggestions related to the following portions of the Draft Bill:

1. "Two-tier" system of protection (pp. 2-3)

The USCIB supports Berne adherence even if it is achieved by establishing a two-tier scheme of protection under our statute. We are aware that such a solution might invite political controversy by subjecting works of United States origin to greater burdens in some respects than works deemed to originate in another Berne country.

Notwithstanding this concern, the USCIB fully supports taking whatever steps are necessary to allow adherence as soon as possible, even if this entails adopting a two-tier system. However, the USCIB would urge that consideration be given soon after adherence to further modification of our statute and procedures so as to return to a unitary -- and fairer -- scheme of copyright protection.

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* "Implementing Legislation to Permit U.S. Adherence to the Berne Convention; A Draft Discussion Bill & Commentary," 24 pages (herein, "the Draft Bill").

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2. Moral Rights (pp. 5,7,11,16-18)

The USCIB agrees with the conclusion in the December, 1985 Preliminary Report of the Ad Hoc Working Group on U.S. Adherence to the Berne Convention (Ch. VI, p.1) that in the United States "substantial protection [is] now available for the real equivalent of moral rights," albeit under statutory and common law provisions other than Title 17, U.S.C.

The USCIB also agrees with the Ad Hoc Working Group's conclusion (Preliminary Report, Ch. XII, p.1) that the Berne Convention would not be self-executing in this country, so that no provision of Article 6 bis of the Berne treaty would automatically apply to any U.S. adjudication of copyright rights.

The Draft Bill proposes two alternatives to deal with the question of moral rights. The USCIB does not support Alternative B (p.17), which appears to focus on the right to paternity (or attribution) in a work, and may raise more questions than it resolves.

Instead, we support the adoption of a provision similar in approach to Alternative A (pp.16-17). However, we urge further clarification of Alternative A as well as the related definition (p.5) of "moral rights" to be inserted in §101 and the proviso (p.11) on moral rights proposed for the statement to negate self-execution. Such clarification should make more explicit that, while no statutory protection for moral rights is now being enacted as a part of the Copyright Act, the law can continue to develop through: (a) judicial interpretation of current federal statutes (e.g., 17 U.S.C. and the Lanham Act), state statutes and common law; and (b) future federal and state legislation.

Among those issues to be clarified are:

(a) whether it is appropriate to provide that moral rights be limited to "original works"; and

(b) the intended relationship of moral rights to the rights under present §106,* especially §106(2) as to the right to prepare derivative works.

3. Architectural Works (pp. 4-7,13)

The USCIB has no problem with the Draft Bill's proposal to extend copyright protection to works of architecture, i.e., buildings, as apparently is necessary in order to comply with Berne.

We do note in this connection, however, that the Draft Bill's definition of architectural works omits specific mention of "buildings" or "structures" in its non-exhaustive enumeration of the categories of such works. Because it is the absence of protection for buildings which makes our law incompatible with Berne in the area of architecture, and which this provision is designed to remedy, it seems both appropriate and important to include buildings in the list of examples.

We have a concern which relates to the mask works which are embodied in semiconductor chip products -- works which, in a real sense, are architectural products and whose protection is governed by the Semiconductor Chip Protection Act of 1984, 17 U.S.C. Ch. 9. In the semiconductor industry, chips have an "architecture," may be designed by an "architect," and are "constructed" or "built" by their manufacturers. Similarly, they can be produced from blueprints, technical drawings, plans or designs. It should be made clear that protection of mask works and the chips in which they are embodied continues to be governed by the SCPA and is in no way affected by implementation of protection for traditional works of architecture.

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* Whether or not the protection provided to semiconductor chips and "mask works" under the Semiconductor Chip Protection Act of 1984 ("SCPA"), Chapter 9 of Title 17 U.S.C., is deemed to come within Berne, the question may arise whether moral rights relate to them. If so, then to the extent they do, the relationship of moral rights to §905 (the SCPA's analogous provision to §106) would be a further issue to be clarified.

While the proposed provision in the draft bill intends to achieve this result by specifying in the definition of architectural works that they include two-dimensional and three-dimensional works "relative to the art or science of [constructing buildings]," we urge that there be explicit language in the legislative history of the Berne enabling legislation which excludes mask works and semiconductor chip products from the definition (and coverage) of architectural works.

4. Manufacturing Clause, 17 U.S.C. §601 (p. 20)

In order to expedite adherence to Berne, the USCIB is not opposing an overall two-tier system of protection. The Council, however, remains steadfastly opposed to continuation of the manufacturing clause.

The Draft Bill alters the definition of "tiers" in the current manufacturing clause in an attempt to make the provision consistent with Berne's minimum requirements for protection. As a technical matter, we have doubts as to whether this attempt is successful -- certain categories of foreign works subject to Berne protection could still fall within the restrictions of the Draft Bill's manufacturing clause -- but, on a more fundamental level, the USCIB strongly opposes any continued version of the manufacturing clause.

Aside from the technical questions of compliance with Berne, the manufacturing clause is an embarrassment to the United States in international trade and diplomacy. As we noted on p.10 of our written statement submitted prior to the April 15, 1986 Subcommittee Hearing, the manufacturing clause has been held by the international community to be a violation of United States obligations under the General Agreement on Tariffs and Trade (the GATT). The other member nations of the GATT are now threatening numerous United States industries with possible retaliatory action. The situation not only jeopardizes real and significant economic interests in this country, but also substantially undermines United States influence in the international marketplace. It also prejudices present United States efforts to use the GATT to promote international standards for protection and enforcement of copyright.

The time has passed for the protectionism represented by the manufacturing clause. The manufacturing clause should not be amended so as to be placed in technical compliance with Berne. It should be allowed to expire, as now scheduled, in July 1986.

5. Self-Execution (pp. 11-12)

We support the proposed provision stating that the Berne Convention is not self-executing. Language such as that used in the Draft Bill appears appropriate to clarify the premise that Berne will not automatically alter current copyright law in the U.S.

We would, however, urge modification of the language in the second sentence of the provision, so as to delineate more carefully how and to what extent moral rights protection may fall outside the four corners of the Copyright Act.

6. Retroactivity (pp. 8-10)

The USCIB cannot support Alternative A of the proposed retroactivity provision, because of the important international political ramifications of that Alternative.

We recommend Alternative B as a thoughtful and reasonable resolution to the retroactivity dilemma. However, thorny problems may well arise in connection with, among other things: any distinction to be drawn between importation and distribution rights in such works; and the definition of "continuation of enterprises," etc. which were begun lawfully but which might otherwise become unlawful when works are withdrawn from the public domain. The final language of subparagraph (b)(4) [(b)(4) and (5) in our suggested revision] of the proposed provision is, therefore, crucial.

For instance, it must be clear whether there is to be an exemption for the continued exploitation of derivative works previously prepared from works which were once in the public domain but are now recaptured under retroactivity. In general, since both civil remedies and criminal penalties may be imposed for infringement of newly-protected works, the circumstances under which such liability may be incurred must be precisely defined to accommodate Due Process concerns.

Subject to further attention to these considerations, we would suggest the following revision of Alternative B on retroactivity:*

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* We recognize that much redrafting of the Draft Bill will have to be done. The retroactivity provision is both a controversial and key matter, and therefore, as an example of the redrafting necessary, we have prepared a suggested redraft of that provision. Because of the limited time available, we have not been able to redraft the other portions of the Draft Bill prior to the date set by the Subcommittee for this submission.

Retroactivity

Alternative B

Sec. ____ (a) Copyright protection under this Act shall not be available for any work that has entered the public domain in the United States on or before [effective date of Berne coming into force and for amendatory legislation], except in conformity with subsection (b) of this section.

(b) The President may, by proclamation as follows, extend eligibility for protection under chapters 1 through 8 of this title to Berne Convention works [as defined in section 101] that are, as of [such effective date], in the public domain in the United States (other than by reason of the expiration of the term of protection therein):

(1) Such eligibility for protection may be extended by proclamation whenever the President finds that the country of origin (herein, "Berne Country") of such Berne Convention works extends to works of United States origin [as defined in section 101] in the public domain in such Berne Country (other than by reason of the expiration of the term of protection therein), copyright protection on substantially the same basis as provided under chapters 1 through 8 of this title.

(2) The President may revise, suspend, or revoke any such proclamation or impose any conditions or limitations on protection under a proclamation.

(3) The term of copyright in a work whose eligibility for protection has been extended by such proclamation shall not exceed the term of protection for such work in its country of origin within the Berne Union, or under the provisions of chapter 3 of this title, whichever term expires first.

(4) No right or remedy given pursuant to chapters 1 through 8 of this title shall prejudice lawful acts done theretofore with respect to any such Berne Convention work, or distribution rights in copies or phonorecords thereof lawfully made theretofore or the continuance of enterprises lawfully undertaken theretofore (including the continuing utilization of derivative works theretofore prepared therefrom), within the United States prior to the effective date of such proclamation.

(5) Paragraph (4) of subsection (b) of this section shall not apply to the preparation after such effective date of other derivative works based upon any such Berne Convention work.

We note certain changes we are suggesting in the retroactivity provision of the Draft Bill:

1. We have deleted (b)(2) (and clauses relating to (b)(2)), which would establish, probably without any necessity, a complex set of new registration procedures. It would be ironic to make such formalities a condition of extending protection under a convention whose theme is no formalities.

If registration is not to be required for new Berne Convention works, we do not believe it should be required for old Berne Convention works to be recaptured. We do not believe that the burden of registration is any more appropriate for a Berne Convention work first published the day before adherence than for such a work published the day after.

2. Notwithstanding 17 U.S.C. §912(b), we think it may be appropriate in the provisions now being discussed, which will of course be enacted subsequent to the S.C.P.A., to clarify that references to "this title" ordinarily should be references to chapters 1 through 8.

3. We utilize the terms "Berne Convention works" and "works of United States origin," as defined in the proposed revision of §101.

4. For the general criteria and procedures relating to the Presidential proclamations, we have suggested a modified meld of the relevant portions of §§104(b)(4) and 902(a)(2).

5. As we have stated above, the language in our subparagraphs (b)(4) and (5) [Draft Bill subparagraph (b)(4)] requires careful further review to sort out important questions relating to the transition of works from public domain to protected status. Some analogies can perhaps be drawn from §§203(b)(1) and 304(c)(6)(A), which we have adapted in slight measure. In addition, consideration should be given to the treatment under 35 U.S.C. §252 of transitional liabilities and immunities with respect to claims under a reissued patent which were not contained in the original patent.

UNITED STATES COUNCIL FOR INTERNATIONAL BUSINESS

June 16, 1986

INFORMATION INDUSTRY ASSOCIATION

Supplemental Comments Concerning 4/15/86 Draft Implementing Legislation for United States Adherence to the Berne Convention

The Information Industry Association (IIA) is grateful to the Subcommittee on Patents, Copyrights and Trademarks, as well as to the Copyright Office, for their efforts in preparing the draft implementing legislation. Such legislation is a necessary step if our one-hundred-year absence from the Berne Union is finally to be remedied.

The IIA has reviewed the comments on the legislation which are being submitted simultaneously by the United States Council for International Business (USCIB) [Enclosure "A" herewith]. The IIA agrees with those comments and joins in them, with one exception discussed below.

On the fundamental question, IIA reiterates its support for Berne adherence. As stated in our testimony submitted at the April 15, 1986 Senate Subcommittee hearing, we believe that, for legal, political and practical reasons Berne adherence is now urgent. The IIA is willing to provide whatever assistance it can in order to help secure United States adherence to the Berne Convention.

As noted above, there is one area in which the IIA wishes to diverge from the comments prepared by the USCIB. That area -- a very important one from the perspective of IIA members -- is the question of a "two-tier" system of copyright protection. While the IIA will not withdraw its support from Berne adherence if it can be obtained only at

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the price of a two-tier system which discriminates against U.S. works, IIA members strongly oppose such a solution.

As a general matter, IIA believes that it would be not only controversial politically but basically unfair to implement a system which inequitably burdens U.S. works. As a specific matter, the IIA believes that the discrimination against certain U.S. works of new technology, notably electronic data bases, would be particularly severe, because the current set of U.S. formalities is ill-suited to such works.

As stated on pp. 7-9 of our earlier testimony before this subcommittee, the U.S. Copyright Act requires that complex registration and deposit procedures be followed for a copyright proprietor to receive full protection under the Act, and to enforce rights which may be infringed. There are complex (and unresolved) legal issues relating to data bases, such as identifying when, how and where such a work is "published," and what constitutes the protectible "work." In addition, there are practical burdens associated with deposit and registration of a voluminous electronic data base.

These formalities thus create impractical and inappropriate obstacles which make it unnecessarily burdensome for copyright proprietors to secure for their data bases the protection provided by the Copyright Act. In sharp contrast is the no-formalities approach to protection embraced by the Berne Convention, an approach which is the only practical and effective means of providing full protection to many of the works produced by IIA members and others.

To deny U.S. proprietors the benefits of such an approach by placing them in the burdened tier of a two-tier system, while granting the benefits to foreign works, would compound the problems created by our current system by adding serious inequity and unfairness.

The United States should adhere to the Berne Convention. It should do so, however, in a way that preserves and enhances both the spirit of that Convention and the principles that underlie our current system of copyright. We should adopt a one-tier scheme of protection which meets Berne's requirements, including its prohibition of formalities. While a two-tier system would not prevent the United States from achieving compliance with Berne, it would be at odds with the spirit of that Convention. The U.S. should provide all copyright owners -- including owners of U.S. works -- with the benefits of the Convention.

INFORMATION INDUSTRY ASSOCIATION

Senator **Mathias**. Thank you, Mr. Goldberg. I appreciate your reference to the bicentennial, because I do think it gives us an opportunity to educate this country on the subject of intellectual property. It is of increasing practical importance to our country, as Mr. Henriques' testimony, I think, underscores.

Mr. **Goldberg**. Yes, indeed, sir.

Senator **Mathias**. You raised the question of the back door. In order that it doesn't remain an obscure reference in the record, how does the back door work today?

Mr. **Goldberg**. Not as well as some people may think it does, Mr. Chairman. Essentially, the back door is the procedure under which U.S. proprietors will simultaneously publish a work in the United States and in a Berne Convention country, quite commonly Canada, so that Canada—or whatever other Berne country it is simultaneously published in—would be considered the country of origin under the Berne Convention. The work consequently would be entitled to protection under the Berne Convention because its country of origin is a Berne country.

The problems in connection with simultaneous publication are several. One of them is that, as concerns data bases, for example, it is uncertain as to exactly how one really, really does publish a data base. So we do not know when a data base might be published simultaneously and when it might not be.

Second, the simultaneous publication procedure is frequently driven not by marketing considerations, not by business considerations, but by what the lawyers tell their clients.

It is simply a poor way to run a business if market considerations are overridden purely for the sake of legal formalities. These are important legal formalities, but nonetheless they should be secondary to the considerations that make business sense.

Third, there are the problems of proof which have been alluded to earlier, which are frequently encountered in pressing infringement litigation based on entitlement under simultaneous publication. The problem of proof present additional uncertainty.

Last, we have earned no friends in the international copyright community by relying on the back door and taking but not giving, by accepting Berne benefits but not Berne responsibilities.

Senator **Mathias**. And, of course, there is just the sheer bureaucratic problem of dual publication.

Mr. **Goldberg**. Well, if, in fact, the simultaneous publication takes place even though there is no real marketing plan to publish simultaneously, or to publish first, in the Berne Convention country, that is correct, Mr. Chairman.

Yes. There is, of course, quite commonly a legitimate publication simultaneously in a Berne country and in the United States, but it is all too common, unfortunately, that simultaneous publication is effected solely for the purpose of obtaining Berne Convention protection.

Senator **Mathias**. Does any other member of the panel want to address that question? Mr. Feist.

Mr. **Feist**. There is another aspect of the simultaneous publication which might at some time present a problem. In the 1971 Paris revision of the Berne Convention, relative to publication, publication is defined as making available a work in sufficient quantities to satisfy the demand for a work of that particular nature.

Now, by and large, it is my understanding that we place on sale for simultaneous publication purposes a copy or two. A country could make a demand upon us to satisfy for publication purposes a far larger quantity, which might present embarrassment or hardship on American publishers.

Of course, under the back door, as a moral matter, American work becomes entitled to protection throughout the Berne Union without any corresponding obligation on the part of the United States to protect Berne works—rather a one-sided situation.

Senator **Mathias**. So, in effect, we get the benefits of Berne without having to incur any of the problems of changing our domestic law. That is what it comes down to.

Yes, Mr. Alterman.

Mr. **Alterman**. Mr. Chairman, I would like to add just one other aspect to this. If you look at everything since book publishing as new technology, when you got to the new technological developments, be it dance or film or computer programs, the ancient terms that were developed for simultaneous publication did not really make sense because it is publication and not communication to the public.

You can communicate a ballet or a film without publishing under the technical definitions. We have a terrible time trying to find what date it is we have to establish.

Mr. **Goldberg**. Mr. Chairman, if I might just follow up on that, the important context for all of this is that if we join the Berne Convention, the significance of the uncertainty in the definition of publication and its consequences is largely obviated.

Publication is still an important concept, but entitlement to protection no longer depends so heavily on publication. Unpublished works of U.S. nationals would, if we joined Berne, be automatically protected.

Also, if a work is first published either in the United States or in some other Berne country, it would make little difference; the work would be protected under Berne. We can finesse a great deal of all of this jurisprudential nonsense that lawyers are required to devote so much time to and so much of clients' money to.

Senator **Mathias**. This underscores your preference for the front door as against the back door.

Mr. **Goldberg**. That is correct, Mr. Chairman, very much so.

Senator **Mathias**. One of the growing concerns, particularly in the trade area, and a concern which has occupied a lot of the time of this committee, is piracy. Technology has now advanced piracy almost to the status of an art.

It is a particularly acute problem in the Third World, since a lot of what we have to sell today is, in fact, intellectual property. It would be of some interest to have your views as to whether Berne membership would have any effect on our efforts to enlist the cooperation of the Third World in suppressing this very expensive kind of piracy.

Everyone seems to be looking at you, Mr. Henriques

Mr. **Henriques**. Well, I think we are all in the same boat. I think it would provide a basis for being a little sterner, if you will, with some of our trading partners, particularly those in the Pacific Basin area that have so freely copied and pirated works and then, in turn, put them back into the general international marketplace.

They point to the inconsistency of granting Berne protection to those works that we have there, while at the same time they cannot get the same protection in the United States.

For that reason, we think that Berne adherence is extremely important in terms of the negotiations, the bilateral activities, that the Secretary of Commerce and the Secretary of State will be carrying on.

Senator **Mathias**. Ms. Risher.

Ms. **Risher**. The AAP and several of the organizations in this room are members of the International Intellectual Property Alliance. The Alliance was instrumental in urging Congress to pass the CBI, the GSP renewal, and the International Trade and Investment Acts.

One of the things these laws require is that foreign countries provide adequate and effective protection for American intellectual property. We defined the fundamental, guaranteed rights that constitute adequate and effective protection as the Berne minima.

So it is very important, since we are asking the Third World countries to adopt the Berne minima, that we do the same.

Mr. **Alterman**. Mr. Chairman?

Senator **Mathias**. Yes, Mr. Alterman.

Mr. ALTERMAN. Just quickly, I would like to add that having been another participant in the trip that Mr. Henriques alluded to earlier to Taiwan and Singapore, and having seen the IIPA formed as a result of that trip, I can say that, off the record, in the countries we visited and in subsequent trips to that area, the question is always raised, how can we press our own Government to take a very strong stand if we ourselves are not members of Berne.

I think the actual proof of this attitude, although it is not expressed publicly, is that Singapore is about to adopt a new copyright law. Taiwan has just adopted a new copyright law. Korea has promised, as part of its response to the 301 complaint, that it will adopt a new copyright law.

All of them say we would consider joining the UCC because that is what you are a member of.

Senator MATHIAS. So it is, "We will do as you do and not do as you say."

Mr. ALTERMAN. Precisely.

Ms. RISHER. Right.

Senator MATHIAS. Mr. Henriques, we have paid a good deal of attention to the problem of computer programs. Has the Berne Union considered the application of the Berne Convention to computer software?

Mr. HENRIQUES. I beg your pardon, sir?

Senator MATHIAS. Does the Berne Convention apply to computer software?

Mr. HENRIQUES. We think it does. The companies around the world with whom we work—those principally based in Western Europe or in Japan—certainly consider that the Berne Convention applies to software.

Mr. GOLDBERG. May I follow up on that, Mr. Chairman, please?

Senator MATHIAS. Surely.

Mr. GOLDBERG. Certainly, the protection of literary and artistic works applies under Berne to literary, artistic, and scientific works of authorship, and the general consensus is that programs are such works of authorship.

There is some variation in the precise scope of protection of programs among the various countries, but under the Berne Convention clearly programs are protected by copyright.

The surveys, including those commissioned by WIPO, and the consensus of the committee of experts convened by WIPO, are to that effect.

Senator MATHIAS. Would you say that software is adequately protected? Of course, "adequately" is a relative term in life.

Mr. GOLDBERG. I think it is relatively adequately protected, Mr. Chairman. [Laughter.]

I think that one of the concerns——

Senator MATHIAS. Protection is like money; there never is enough. [Laughter.]

Mr. GOLDBERG. Well, I do not think that the people who are testifying before you today, certainly, on this panel are asking for excessive protection, because excessive protection can be counterproductive.

What is being asked for is adequate and effective protection. But in that context, a very important point leading up to the Diplomatic Conference in 1990 is that we want to be sure that when the rights that relate to computer software, data bases and the traditional works of *belles lettres* and the rest—when those rights are discussed—that there not be an erosion of the protection which exists under the Berne Convention so far.

If the United States is present as a member, then we can more effectively counter the attempts by some of the LDC's to erode the protection under the Berne standards.

Mr. **Henriques**. Let me add, Mr. Chairman, that we have conducted a survey among 14 of the developed countries who are the primary non-Eastern bloc producers of computers and computer software, and I would be happy to make that available to your committee.

It shows a comparative analysis, country by country, of the adequacy and the effectiveness of the protection that is afforded.

Senator **Mathias**. We would like very much to have a copy of that and to be able to consider it and perhaps make it a part of the record.

[The following survey was subsequently submitted for the record:]

THE LEGAL PROTECTION OF COMPUTER SOFTWARE

A SURVEY PREPARED FOR

THE INTERNATIONAL INFORMATION INDUSTRY CONGRESS

1986

May 2, 1985

General Comments

In the survey below, the questions are printed in **bold** text and the responses of each participant summarized. In some cases facts drawn from standard references have been included where the information was not supplied directly. Where data which required interpretation was not submitted the entry "N/I", for "no information" is used. Association names have been abbreviated as follows:

A	ACESA (Australia)
C	CBEMA (Canada)
F	VDMA (Federal Republic of Germany)
G	BETA (United Kingdom)
J	JEIDA (Japan)
U	CBEMA(US) (United States)
S	SFIB (France)
I	ASSINFORM (Italy)
E	IBETA (Ireland)

One of the continuing issues in international meetings on legal protection of computer software is the definition of computer software. WIPO developed the following definition of computer software:

> "(i) 'computer program' means a set of instructions capable, when incorporated in a machine-readable medium, of causing a machine having information-processing capabilities to indicate, perform or achieve a particular function, task or result;
>
> (ii) 'program description' means a complete procedural presentation in verbal, schematic or other form, in sufficient detail to determine a set of instructions constituting a corresponding computer program;
>
> (iii) 'supporting material' means any material, other than a computer program or a program description, created for aiding the understanding or application of a computer program, for example problem descriptions and user instructions;
>
> (iv) 'computer software' means any or several of the items referred to in (i) to (iii)."

In contrast, the definition in the U.S. copyright law is for computer program:

> "A 'computer program' is a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result."

(A) WIPO has agreed to attempt to further develop its definition. Do your members have a preferred definition? If so, please include it.

A Law amended in June 1984 to define "computer program" as an expression of a set of instructions intended, either directly or following conversion to another language, to cause a digital information processing device to perform a particular function.

C A simple definition, similar to that used in the US law would be preferred.

F None is preferred. The WIPO model has some good points.

G No.

J A definition similar to the one in the U.S. Copyright Law has been used in the Japanese Copyright Law which was amended in June 1985.

U The US Copyright law definition is preferred.

S A simple definition close to that used in the U.S. law is preferable. Otherwise we would suggest the sixth definition proposed by WIPO in April 1984; i.e., "For the purpose of copyright protection a computer program work in an expression of a set of instructions or statements fixed in any form or medium intended to cause a computer directly or indirectly to indicate, perform or achieve a paticular function, task or result."

I N/I

E No.

(B) Is a definition of computer software in common use in legal documents in your country?

A No.

C No. However, the Criminal Code was recently amended to include a somewhat restricted definition of a computer program.

F No.

G No.

J N/I

U No.

S No. There is no definition of computer software in common use. However a decree from the Ministry of Industry provides an official translation of the words "software" and "software package" (logiciel et progiciel) as well as a definition of these words.

I N/I

E No.

(C) Should IIIC take a position on a definition?

A No, leave to national option.

C Yes, along the lines proposed to the Canadian Government.

F No, leave to national option.

G No, except as part of developing any needed international texts.

J Yes, that proposed in Japanese law.

U Yes, one like the US definition.

S No, leave to national option except as part of developing any needed international texts.

I N/I

E No, except as part of developing any needed international texts.

2. **If WIPO/UNESCO were to determine that the current international conventions have a significant gap in legal protection of computer software, how would your members prefer to close that gap: through amendment of the current conventions, through a new treaty, through interpretation, or by some other action?**

A Amend current conventions.

C Rely on current conventions, or amend them, if needed.

F Amend current conventions explicitly, or, as a second choice, rely on interpretation.

G Amend current conventions.

J Rely on current conventions, or amend them if necessary.

U Feel current conventions include computer software, amend only if experience shows that is necessary.

S Rely on current conventions, or amend them, if needed..

I N/I

E Amend current conventions.

3. **WIPO has been advised by a committee of governmental experts that a special treaty for the legal protection of computer software is not needed. Do your members agree with this conclusion? Does your government?**

A Yes, agree with June 1983 recommendations to WIPO.

C Yes. Believe government experts now also agree.

F ~~Yes.~~ Yes.

G Yes. Yes.

J Yes. Yes.

U Yes. Yes.

S Yes. Yes.

I N/I

E This is an open question for members. We are unaware of any Government position.

PATENTS

4. To what international patent conventions does your country adhere, do any reservations apply?

All respondents belong to the Paris Convention. The United Kingdom also belongs to the European Patent Convention. No reservations were explicitly mentioned.

5. Do your members interpret the patent conventions to which your country adheres as covering computer software? Does your government?

A No opinion, since domestic patent law does not cover software.

C Members do not feel the Paris Convention covers computer software. The Government has not expressed a position.

F No opinion, since domestic law excludes computer software from patents.

G No, however, European and Paris Conventions cover programme related inventions.

J Some kinds of software would be the invention defined in the Paris Convention.

U Yes, both the industry and US Government believe that computer software is covered, with certain limitations.

S No opinion. Domestic law excludes computer program as such from patents.

I N/I

E No.

6. Are the patent conventions adequate for protecting the intellectual property in computer software?

A No.

C The patent conventions are not adequate by themselves.

F Not relevant due to domestic bar.

G No, not on their own.

J Yes, in some cases, but not in every case.

U Under the Deihr decision patents are broadly applicable to computer software, but not sufficiently broad to cover mathematical algorithms.

S No.

I No.

E No.

7. **Is computer software subject to patent in your country? If so, could the protection be improved? How?**

A No.

C Patents cover computer software only indirectly by covering non-mathematical algorithms which are inventive and have industrial application. Improvement is not seen as a priority.

F No.

G Yes, through contributory infringement of patents granted on computer related inventions. Protection could be improved by a speedier granting of patents.

J Yes, in some cases. The protection could be improved by broadening the interpretation of patentability of computer software by Japanese Patent Office.

U Yes, software is patentable. Improvements in that protection are not seen as needed.

S Patents cover computer programs only indirectly. Improvement is not seen as a priority.

I Yes, but the procedures required to patent a program are long and expensive.

E No.

COPYRIGHTS

8. **To what international copyright conventions does your country adhere, do any reservations apply?**

A Berne and the UCC.

C Berne and the UCC.

F Berne.

G Berne and the UCC.

J Berne and the UCC.

U UCC.

S Berne and the UCC.

I Berne and the UCC.

E Berne and UCC.

9. Do your members interpret the copyright conventions to which your country adheres as covering computer software? Does your government?

E Yes to both questions.

The responses indicate that the members of the associations interpret the conventions as covering computer software. With the exception of the Federal Republic of Germany, France, Republic of Ireland and US, UK, the Governments are believed to not have positions on this issue. The Federal Republic of Germany, France, the Republic of Ireland, US, UK Governments interpret the conventions as covering computer software.

10. Is copyright protection adequate for protecting intellectual property in computer software?

The general response was that copyright is adequate to protect the author's investment in programs. Qualifications were:

C Yes, with additional considerations specified in contract in some cases.

F Yes, with the understanding that the algorithm is not protected.

J Yes, for protecting the expression of computer program.

S Yes, with additional considerations specified in contract in some cases..

I Yes, with some adjustments to national laws.

E Yes it can be; also court cases will be necessary to clarify this.

11. Is computer software subject to copyright in your country? If so, could the law be improved? How?

A Yes. Copyright law was amended in 1984 to include computer programs as literary works. The amendment to the Copyright Act has not been tested in a Court as yet, but it appears to meet with industry approval.

C	Copyright registrations are accepted. There are a number of favourable injunction court decisions. No specific language in the Copyright Statute. Recent Parliamentary report and government response support copyright for software (source and object code).
F	Government position is yes. Programs not specified in the statute. Possibly will be in the next amendment of the act.
G	Yes. The Copyright (Computer Software) Amendment Act 1985 is now in force. Later this year a review of EEC Copyright Law is also expected to be circulated for comment.
J	Yes, as result of three court cases. Moreover, recently enacted law gives copyright protection for software.
U	Yes, by specific amendment of the Copyright Act. No general movement to amend the law further; most problems which have been speculated about are being clarified by court cases.
S	The French Parliament recently enacted a law (July 3, 1985) that makes computer software subject to copyright law and provides a 25 year protection.
I	In April 1985 the Italian courts, for the first time, recognized that copyright protection can be applied to software programs. Yes, adjustments to the copyright law are needed to further clarify its intention.
E	Yes the laws could be improved by having (similar to U.K.) a specific Computer Software Act amending and clarifying the Copyright Act but also the question of the protection of ideas needs to be addressed.

TRADE SECRETS

12. What is the status of trade secrets for protection of intellectual property in computer software?

A	The law relating to confidential information is applicable in certain circumstances.
C	Protection is available. Trade secrets are common law concept.
F	Similar protection to trade secrets are available under the Unfair Competition Law.
G	Available, if legal requirements are followed.
J	Protection is available.
U	Protection is available. Greatest problem is that Trade secrets are a product of state law and details vary.

However, a recent court case has decided that the state trade secret and federal copyright laws co-exist except to the extent that a trade secret claim would protect what is preempted by federal copyright law. Therefore, trade secrets may be used to protect ideas, methods, etc., but not expressions.

S There is no equivalent concept of trade secret under French law. A slightly similar concept may be applied: unfair competition.

I Protection is available.

E Available, if legal requirements followed.

13. If trade secret protection is available, what is the definition in your country of a trade secret? Do you believe that it is adequate in regard to computer software? If not, what changes should be made?

A Information must be confidential, imparted in circumstances creating an obligation of confidence, and there must be an unauthorised use of the information causing damage to the owner.

C Identifiable information that is kept secret that is not widely known and where a confidential relationship exists.

F N/I

G Law is applied on a case by case basis.

J N/I

U General concept is like the Canadian definition, but details vary from state to state.

S Not applicable.

I N/I

E The law is applied on a case by case basis.

CONTRACTS

14. What forms of contract protection exist for the legal protection of computer software? Are they adequate?

There is general agreement that computer programs are the subject of contract, but that private contract may not protect important assets since it controls only the relations of the parties.

15. Are provisions for licensing agreements adequate for the legal protection of computer software in your country?

There is general agreement that licensing agreements in contracts are adequate. More is needed when different properties must be protected -- e.g., a copyright or patent.

16. What is the legal status of the use in mass market computer software of the "tear open" license (that is, a license inside a plastic cover of a program which states that the user accepts the terms of the license by tearing open the plastic cover)?

A Not yet tested by any Court case.

C Procedure is used; however, there are no court cases reviewing its use.

F No data yet.

G Never been tested in law.

J Procedure is widely used as a trade custom. No case as regards validation of the procedure.

U Procedure is widely used. Legal speculators looking for court validation.

S No data yet.

I No data yet.

E "Tear open" licences have yet to be tested in the courts.

GENERAL

17. Does your country have other legal bases for protecting the intellectual property in computer software?

All the techniques currently used have been described above.

18. Has your country considered enacting a unique form of protection for the intellectual property in computer software? If so, please describe.

A No.

C No.

F No.

G No.

J MITI had put forward a unique form of protection, but has now abandoned that proposal in favor of copyright protection.

U Not currently. In the early 1970's various ideas were discussed academically.

S No.

I N/I

E Not that we are aware.

19. Are there any governmental study groups in your country on legal means for protecting the intellectual property in computer software? What are their charters? What recommendations have they made?

A Following 1984 amendment, the Attorney-General is monitoring operation of the legislation. A review of the importation provisions of the Copyright Act is currently under way. These sections make it an offence to import articles without the copyright owners' permission, which, to the knowledge of the importer, would have constituted an infringement of copyright if made in Australia.

C Two consultants to Consumer and Corporate Affairs have submitted reports, both recommending reliance on copyright.

F N/I

G The Confederation of Information Communication Industries (CICI), established and supported by the UK Government, is studying a range of issues relating to intellectual property. Recommendations will not be finally agreed until the anticipated Government consultative White Paper on patent, copyright and industrial design protection reforms is studied by BETA.

J Two consulting groups have been worked for MITI and for the Agency for Cultural Affairs.

U The Commission on the New Technological Use of Copyrighted Works recommended in 1977 that computer programs be explicitly added to the copyright statute, which was done in 1980.

S No longer since the new law is enacted.

I N/I

E None to our knowledge.

20. If available separately, are there any restrictions on the simultaneous existence of patent, copyright, and trade secret protection for the intellectual property in computer software?

Australia, Canada, France, Great Britain, Ireland, and the US reported no general restrictions to bar using different protections to protect the different aspects of computer software. Australia notes, however, that computer programs will not qualify as confidential information if they have been disclosed to the world in some way -- e.g., publication of patent specification.

21. **Has your country given consideration to penalizing, or increasing penalties for, those who knowingly pirate computer software for commercial purposes? What penalties exist?**

A Under existing penalty provisions, the maximum fine imposed on first offenders in relation to "works" (which include computer programs) is $150 per article. Proposed amendments will increase this to $500 where the offender is an individual, or $2,500 if a body corporate. Fines for subsequent convictions will be increased from $150 per article or six months imprisonment to $1,500 per article or six months imprisonment.

The total fine limits for Federal Court prosecutions will also be increased from $10,000 to $250,000 for corporations and $50,000 for individuals.

C The Parliamentary Committee report proposed a general increase in the fine for copyright infringement to $1,000,000 (currently $200).

F N/I

G Under the Copyright (Computer Software) Amendment Act 1985 now in force, any persons illegally selling, exhibiting or in possession of pirated software face a fine of up to 2,000 pounds and/or two months imprisonment on summary convictions. The manufacture, distribution or importation of unauthorized copies carries a penalty of an unlimited fine and/or two years imprisonment on indictment.

J Amendments to the Copyright Law state that any person selling software and any person using software, knowing them to be pirated ones, are liable to less than three years jail or less than one million yens fine.

U In the US the $10,000 fine has been increased to $250,000 for commercial piracy of audiovisual works and phonographs. Legislation to raise significantly the criminal penalties for commercial infringement of computer program copyright was considered, but not passed.

S No specific reference to computer software piracy is made in the law of 1985. Penalties are provided in general copyright law.

I N/I

E In an amendment before the Dail there are proposals to increase the financial penalties in respect of dealings which infringe copyright.

22. In the next decade what do you perceive as the primary cost of a computer system - hardware, software, or other items, for example telecommunications links?

There was a general consensus that in the next decade the primary cost will shift to software, followed by telecommunications, then by hardware.

E N/I

Senator MATHIAS. Ms. Risher, as I understand it, the publishers like the status quo on the moral rights question, is that correct?

Ms. RISHER. We believe there are sufficient moral rights protections in the United States, yes.

Senator MATHIAS. Leaving to one side any controversy between creators and proprietors on this issue, is it the publishers' position as a legal matter that we could adhere to Berne without any change in the copyright law on the question of moral rights?

Ms. RISHER. Yes, it is the publishers' position. In fact, in our statement we make clear that that is the position we wish to take.

Senator MATHIAS. In your statement you also at least imply that you think that the Berne Convention's position on moral rights is ambiguous.

Ms. RISHER. Yes. If Berne were self-executing, our members would be inhibited from properly conducting business because of the threat of claims and disputes that, for example, a particular revision of a school textbook or other particular work, whether consented to by the author or sanctioned by customer circumstance, is a distortion.

We do not think publishers should be forced to deal with assertions that they violated legal norms by not identifying as an author one of many individual contributors to a work produced at the initiative and under the coordination of the publisher.

We would like clarification concerning article 6 because if Berne is self-executing, then this ambiguity can be brought into play.

Senator MATHIAS. Is it your belief that these are the kinds of problems that publishers have had in Berne countries?

Ms. RISHER. No, but our society is far more litigious than other Berne countries. [Laughter.]

Senator MATHIAS. Well, that may be.

Have there been, to your knowledge, any unhappy consequences from the broad moral rights protections in the Berne countries?

Ms. RISHER. To our knowledge, there have been none, and we understand that other Berne countries have laws that are substantially similar to ours concerning moral rights, and that is why we believe that our law is sufficient.

Senator MATHIAS. One of the subjects that has occupied a lot of time in this committee is the home taping question. It has been very vexatious and has given me a lot of publicity in record stores and cassette shops that I did not seek. [Laughter.]

How do you believe the Berne Convention would be better able to handle problems of home taping, let us say, than the Universal Copyright Convention?

Mr. **Alterman**. I will take a stab at that one. I am not sure that it is necessarily better able to handle that particular problem than the UCC. I think that that is one subject on which there is, at best, guidance in the Berne Convention that the proprietor should not have his work used in an uncompensated manner that does not comport with the accepted definition of fair use.

But in the case of the Berne Convention, at least, it leaves it pretty flexible for the individual States to interpret, and I think it has been interpreted flexibly by the individual States. Our law would not be out of step.

Senator **Mathias**. You acknowledge that we could get a quick fix by adopting a two-tier system, but you say that would be inherently unjust and contrary to the American way of life.

If, however, we did at least have a little quick fix, as Mr. Karp suggested a few minutes ago, and at least got our toe in the water, would that affect the support of the MPAA?

Mr. **Alterman**. No; it would not.

Senator **Mathias**. Not if it was a small enough fix?

Mr. **Alterman**. I think I would like to perhaps amplify that in this manner. There will be a lot of details, including the two-tier system, that will have to be addressed in the course of any action that is taken to adhere to Berne.

I believe that if we keep our eye on the goal of adherence to Berne and joining the international community, then we will find solutions rather than problems.

Senator **Mathias**. Yes.

Mr. **Alterman**. And if the solution to a particular difficulty is that there should be a dual system, we will not oppose it.

Senator **Mathias**. One of the things which drives us to another consideration of Berne is, of course, our trade problems. That raises the question of the relationship between Berne and GATT.

It has been suggested that we incorporate the Berne standards in a GATT code and apply the dispute resolution mechanisms of GATT to copyright disputes. What would then happen to the enforcement procedures that are available under Berne?

Mr. **Goldberg**. Well, Berne, Mr. Chairman, has no enforcement procedures under the Convention itself, and certainly not under WIPO, the World Intellectual Property Organization. The enforcement is left to the national laws of the individual Berne member countries.

There is a largely academic provision in the Berne Convention which states that disputes between nations can be referred to the International Court of Justice in The Hague. But even aside from the events of the last few decades as to the U.S. position on the ICJ, I am not aware of any copyright dispute under Berne that has ever gone to that tribunal.

So the question remains as to how, more effectively, more adequately, disputes can be resolved. Since GATT does have an enforcement mechanism, a dispute resolution mechanism, it would appear that under GATT it would be possible to establish a code, an intellectual property code, so that the GATT could function as a forum for the resolution of such disputes.

There is an anticounterfeiting code that is now being discussed in the GATT, and an intellectual property code, we hope, would also be adopted.

Mr. **Alterman**. There is really very little else to say.

Senator **Mathias**. Well, the only other thing to say is whether anything ought to be done within Berne or whether the efforts being made in the GATT direction are adequate.

Mr. **Alterman**. I think one of the things that we should focus on is the fact that any dispute resolution mechanism within Berne would address purely the copyright law, and if you view the function of WIPO and the Berne Convention as setting the standards for the private resolution of disputes, which is what it really is, then that would be fine. You could deal with private resolution.

But I think that the focus of attempting to incorporate intellectual property into the GATT is a trade-oriented focus. We recognize that trading goods is only one aspect of trade and that we here at this table at this particular moment are very conscious that it is not only goods that are traded.

We have other items, for want of a better term, that fall under the rubric of intellectual property. We feel that GATT, as the trading mechanism regulating the trading relationships among the countries of the world, should be broadened to include our lines of endeavor.

Therefore, we go beyond merely the copyright protections that might be afforded and the dispute mechanisms that might be accorded thereunder.

Mr. **Goldberg**. Mr. Chairman, I think there is also the point that whether you are talking about Berne or GATT, adherence to Berne is essential, because if we do not belong to Berne, we cannot really have a voice in maintaining, sustaining, and possibly increasing the standards of Berne protection.

Second, if we do not take effective steps toward Berne adherence, we lose some of the clout we would otherwise have in the GATT negotiations to establish a code based on the Berne standards. If we do not pursue Berne, those standards would be the standards merely of a convention that we have shown no interest in adhering to. It is hypocrisy if we do not move to adhere.

Mr. **Alterman**. I would like to add one other thing, if I may, and that is that those of us who have been working on the problem of GATT view that as a trade problem with trade solutions, and the trade solution would be the incorporation of a code under GATT that would cover the trading conduct.

But you really cannot get to that code except by way of WIPO and the conventions it administers. For this reason, we feel that it is absolutely fundamental to the GATT approach that we be adherents to the Berne Convention.

Senator **Mathias**. You establish the principles and then you establish the practice.

Mr. **Alterman**. Correct.

Senator **Mathias**. One last question to Ms. Risher. U.S. law requires that published copies of works bear a notice of copyright.

This has long been viewed as a formality that would make U.S. law incompatible with Berne. Is that right?

Ms. **Risher**. Yes.

Senator **Mathias**. I suppose one of the obvious ways to achieve compatibility would simply be to eliminate the requirement of notice, but it does serve a useful purpose.

Would you like to comment very briefly on the suggestions that have been made in the Copyright Office draft proposal?

Ms. **Risher**. I did not receive the suggestions from the Copyright Office in time to study them adequately, but I would like to say that the Association of American Publishers would like to remove burdensome formalities, but would be willing to consider a voluntary placement of notice and many of our publishers would continue to do so, as it would be in their best interest to do so.

The specific references——

Senator **Mathias**. What they suggested was, first, to exempt all works originating in a Berne country other than the United States.

Ms. **Risher**. We would support that.

Senator **Mathias**. And, as an alternative, eliminate the notices of formality, but perhaps create some other statutory incentive that might induce authors to give notice.

Ms. **Risher**. Well, as I said, we have no problem with voluntarily putting notice on, and if there is an incentive that makes it in our best interest to do so, we would not object. But we would have to study what that incentive was and how it affected our ability to go into court and how it affected our ability to enforce our copyrights.

Senator **Mathias**. You may not only have to study it; you may have to think it up. [Laughter.]

Ms. **Risher**. We would be prepared to work with you, Mr. Chairman.

Senator **Mathias**. Well, as in the case of all these panels, we could go on all morning and it would be fascinating for me, but we have others who are waiting and I suppose we had better call panel No. 3.

Mr. **Goldberg**. Thank you, Mr Chairman.

Mr. **Alterman**. Thank you, Mr. Chairman.

Senator **Mathias**. Mr. August Steinhilber, associate executive director and legal counsel of the National School Boards Association; Mr. Ed Merlis, of the National Cable Television Association; Mr. Harry Olsson, of CBS; Mr. Elroy Wolff, of the American Music Operators Association.

Gentlemen, do you have any preference? If not, we will ask Mr. Steinhilber to begin.

STATEMENT OF A PANEL CONSISTING OF: AUGUST W. STEINHILBER, ASSOCIATE EXECUTIVE DIRECTOR AND GENERAL COUNSEL, NATIONAL SCHOOL BOARDS ASSOCIATION, ALEXANDRIA, VA, ON BEHALF OF THE EDUCATORS' AD HOC COMMITTEE ON COPYRIGHT LAW; EDWARD A. MERLIS, VICE PRESIDENT, GOVERNMENT RELATIONS, NATIONAL CABLE TELEVISION ASSOCIATION, WASHINGTON, DC; HARRY R. OLSSON, JR., GENERAL ATTORNEY, CBS, INC., NEW YORK, NY; AND ELROY WOLFF, AMUSEMENT AND MUSIC OPERATORS ASSOCIATION, WASHINGTON, DC

Mr. STEINHILBER. Thank you, Mr. Chairman. I am delighted to be here before you this morning. I am chairman of the Educators' Ad Hoc Committee on Copyright Law, as well as being associate executive director of the National School Boards Association.

The Educators' Committee consists of all nonprofit organizations, representing virtually every school, college, library, public, private, from kindergarten through college. In fact, it includes everything from the U.S. Catholic Conference to the NEA to the American Federation of Teachers.

As a school board representative, I was elected chairman of the group by the votes of the teacher unions, and I am not quite sure where that places me organizationally.

Senator MATHIAS. At any rate, you are talking for the consumers of a lot of books.

Mr. STEINHILBER. That is correct, and as an aside, we have appeared before you many times, but in other capacities both on authorization and appropriations, and we thank you for the many years that you have helped us out.

Senator MATHIAS. Well, thank you.

Mr. STEINHILBER. I assume I was asked to join the working group on U.S. adherence to Berne because we, as educators, are a user group and we have often been critical of the copyright bar.

We have not had time to formulate our position, since the ad hoc working group's papers have not been distributed until recently. But we have had some informal discussions and I would like to share those with you.

As a voice of conscience, we will continue to remind everyone that copyright in the United States did not develop in the same manner that copyright developed on the continent of Europe.

Copyright is a monopoly or a government license that must be carefully watched. The use of the term "intellectual property," we contend, sometimes is a misnomer, or at least not completely consistent with the development of U.S. law and tradition.

While the Educators' Committee views copyright as a monopoly wherein the U.S. Government provides individuals with limited exclusive license to financially benefit them for the fruits of their labor, we need to encourage the development of new ideas.

We seek to support those who would develop intellectual works so that our source of supply does not dry up. Creators need a financial incentive, or they will not continue to produce. For this reason, we support U.S. adherence to Berne if we do not lose the benefits that education enjoys under current copyright law.

Said in another way, we are concerned that U.S. authors may be adversely affected internationally because the United States is not a member of the Berne Convention. We do not and will not condone copyright piracy that exists in international circles.

Hopefully, the Berne Convention can give our Government and our industry some additional tools that can be used to compensate copyright owners for the use of their products.

The concerns that we have as far as the ad hoc committee are as follows: First, are the rights of fair use found in section 107, the library rights under 108, and the face-to-face teaching provisions of 110 fully protected?

Second, are the public broadcasting compulsory licensing provisions fully protected? Third, to sort of tease Irwin Karp right now, who has spent years trying to define and explain to me moral rights, we are not totally sure what moral rights are.

While we are in total agreement that the author has a right to claim authorship, we are not sure what is meant with respect to right to recall or right to object to distortion, et cetera. Does this mean that an educator cannot criticize, study or otherwise lawfully use intellectual materials if the author objects?

This leads me to what probably is our most serious concern, and that is, is the Convention self-executing? Schools, colleges, and universities may be subject to lawsuits even if they are in compliance with domestic law. We are concerned that we may be told in court someday that the Berne Convention supersedes domestic law.

We have no problems with the question of formalities. We have only one comment on formalities, and that is we object to the use of what we call the extra legal formalities that have developed, wherein they say no part of a book may be reproduced in any form, photostated, microfilmed, et cetera—the "thou shalt not spindle, fold, mutilate" kind of language which we think goes beyond copyright and should be stopped.

Thank you, Mr. Chairman.

[Mr. Steinhilber's submissions for the record follow:]

Statement of
August W. Steinhilber
for the Educators' Ad Hoc Committee
on Copyright Law

Executive Summary

- The Educators' Ad Hoc Committee consists of nonprofit organizations representing virtually every school, college, library, from kindergarten through graduate school.
- The Educators' Ad Hoc Committee has not had enough time to study the working group papers and develop a policy statement thereon.
- While the Educators' Ad Hoc Committee views copyright as a monopoly wherein the U. S. government provides individuals with a license to financially benefit from their works, we do not and will not condone international copyright piracy.
- The Educators' Ad Hoc Committee urges the Congress to protect our rights under Sections 107, 108, etc.
- We no longer oppose lifting the restriction on formalities.
- We do oppose copyright owners placing in their materials warnings which go beyond the rights granted by the law.

* * *

I am August W. Steinhilber, testifying as Chairman of the Educators' Ad Hoc Committee on Copyright Law. I am also Associate Executive Director and General Counsel of the National School Boards Association.

The Educators' Committee

The Educators' Ad Hoc Committee on Copyright Law was first organized when Congress started to hold hearings on a general revision of the copyright law about twenty years ago. The Committee consists of nonprofit organizations representing virtually every school, college and library, public and private, and from kindergarten through graduate education, throughout the country. The names of the current participants in the Committee are listed in the appendix. The purpose of the Committee was to communicate to Congress the effect on education and scholarship of various proposals for amending the copyright law. The educators', scholars' and librarians' points of view were regularly communicated to the Congressional committees as the bills progressed through the legislative process.

One of the principal concerns of the Educators' Ad Hoc Committee was the preservation of the limited right of educators and scholars to use material that they need for their teaching and research, without the hindrance of locating copyright owners and demands for excessive royalties.

I was asked to join the working group on the U. S. adherence to the Berne Convention because the Educators Ad Hoc Committee is a user group and we are often critical of the copyright bar.

On March 10th, I sent a copy of the text of the Berne Convention along with the working group's draft report. We have not had time to formulate an official position on most of the specific issues contained in the report. Therefore this testimony must be considered as preliminary to our final determination after all of our members are given the opportunity to vote on specific positions. My membership on the working group was solely to determine the compatibility of the Berne Convention with current U.S. copyright law.

Joining the Berne Convention

As a voice of conscience, we will continue to remind everyone that copyright in the United States did not develop in the same maner that copyright has developed on the continent of Europe. Copyright is a monopoly, or a government license that must be carefully watched. The use of the term "intellectual property" may be a misnomer, or at least not completely consistent with U. S. law and tradition.

While the Educators' Ad Hoc Committee views copyright as a monopoly wherein the U. S. government provides individuals with a limited exclusive license to financially benefit from the fruits of their labor, we need to encourage the development of new ideas. We seek to support those who develop intellectual works so that our source of supply does not dry up. Creators need a financial incentive or they will not continue to produce. For this reason, the Ad Hoc Committee would support U.S. adherence to Berne if we do not lose the benefits that education enjoys under current copyright law. Said in another way, we are concerned that U.S. authors may be adversely affected internationally because the United States is not a member of the Berne Convention. We do not and will not condone the copyright piracy that exists in international circles. Hopefully the Berne Convention can give our government and our industries some additional tools that can be used to compensate copyright owners for the commercial use of their products.

Concerns of the Ad Hoc Committee

In discussion with other members of the Ad Hoc Committee, we now know that there are some concerns of our membership on joining Berne.

(1) Are the rights of fair use found in Section 107,
the library rights in Section 108, and
the face-to-face teaching provisions of Section 110 fully protected?

(2) Are the public broadcasting compulsory licensing provisions of current law fully protected?

(3) Most of us still do not understand all of the provisions of "moral rights." While we are in total agreement that the author has the right to claim authorship, we are not sure what is meant with respect to the "right to recall" or the right to object to distortion, etc. Does this mean that educators cannot criticize, study, or otherwise lawfully use intellectual materials if an author objects?

(4) We are concerned about the possibility that the Convention is a self-executing Treaty. Schools, colleges, universities may be subject to lawsuits even if they are in compliance with

domestic law. We are concerned that we may be told in court that Berne supersedes domestic law.

(5) All of the above really raise the Constitutionality of any further restriction on the use of intellectual works --specifically the rights of freedom of speech and the press. We have contended for years that one of the reasons that copyright law has not been declared in violation of the First Amendment has been the legislation protection of users of copyright materials by the fair use and other similar provisions of the law.

Formalities

On one issue the Ad Hoc Committee has changed its position: a change in U.S. law with respect to formalities. We have always supported domestic law in requiring the copyright notice and copyright registration. In recent discussions within our membership, we have found that this is no longer an issue. However, there is a new issue which has grown in its place: We are unalterably opposed to copyright owners placing in their materials language such as:

> © Copyright 1986 by
>
> All rights reserved.
> No part of this book may be reproduced in any form, by photostat, microfilm, xerography, or any other means, or incorporated into any information retrieval system, electronic or mechanical, without the written permission of the copyright owner.

The above notice obviously goes far beyond the exclusive rights granted by the copyright statute. The right of fair use granted by Section 107 and the additional limitations on exclusive rights under following sections clearly permit some reproduction without "written permission of the copyright owner." The *in terrorem* breadth of the quoted notice cannot, of course, bestow any legal rights on the copyright proprietor beyond the grant of the Constitution and the statute. Lawyers know this but it would not be known by others. A notice, such as the one above, can readily cause a scholar, teacher or a librarian to refrain from exercising their rights in making or obtaining a copy of material required for successful research or teaching. Consequently, a serious restraint on a legitimate professional activity can result. Such an effort to stretch the statutory monopoly to excessive lengths raises serious issues of policy and law.

Conclusion

We thank the Chairman and the Committee for inviting us to appear at this hearing. We hope the information we supplied is of some use to the Committee. We are willing to help you as you proceed in dealing with this important issue.

APPENDIX

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Educators' Ad Hoc Committee
on Copyright Law

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Secretary
Michael H. Cardozo

June 17, 1986

The Honorable Charles McC. Mathias, Jr.
United States Senate
Washington, D. C. 20510

Dear Senator Mathias:

After I testified before your subcommittee on April 15, 1986, you sent me two questions:

1. Our law requires that published copies of works bear notice of copyright. This requirement has long been recognized as a formality and hence incompatible with Berne. While one of the obvious ways of making our law compatible with Berne would be to eliminate it completely, it does serve a useful purpose. Please comment on two suggestions made in the Copyright Office draft proposal: 1) exempting all works originating in a Berne Union country; 2) eliminating notice as a formality but creating other statutory incentives for giving notice.

2. Experts are divided on whether U. S. registration of copyright is incompatible with Berne. Assuming the Ad Hoc Group's assessment of incompatibility is correct, two options are available: (1) require registration for enforcement of copyright non-Berne works; or (2) replace mandatory registration with procedural and remedial benefits that would encourage registration. Other Berne countries, such as Canada, India and Mexico, presently use permissive registration as evidence of copyright validity. Nevertheless, any modification of the present registration scheme could be to the detriment of the Library of Congress. Which option would you prefer?

With respect to the first question, we would urge to eliminate notice as a formality, but to create other statutory incentives for giving notice. For example, bookrate postal rates would only be available to those publications which contained the notice. There may be other incentives involving such things as the Internal Revenue Code; however, I am not an expert on tax law and cannot give any advice in this arena.

With respect to the second question, my recommendation is based upon the assumption that registration is incompatible with Berne, not merely a procedure which must be fulfilled before presenting your case in court to enforce your copyright. We strongly support the Library of Congress in its efforts to maintain registration, but not if that is an impediment to joining Berne.

Therefore, our recommendation is to replace mandatory registration with procedural and remedial benefits that would make it financially imperative for a copyright owner to register. If you notice, the language which the Ad Hoc Committee uses is stronger than just to "encourage registration."

Sincerely,

August W. Steinhilber mg

August W. Steinhilber
Chairman, Educators' Ad Hoc
Committee on Copyright Law

Senator MATHIAS. Thank you, sir.
Mr. Merlis.

STATEMENT OF EDWARD A. MERLIS

Mr. MERLIS. Mr. Chairman, my name is Edward A. Merlis and I am vice president, Government Relations, of the National Cable Television Association. NCTA is the principal trade association of the cable television industry. Its members include more than 2,000 cable television systems operating throughout the United States, serving approximately 29 million homes.

At this time, NCTA takes no position on the question of whether the United States ultimately should become a signatory to the Berne Convention. Several questions of key significance both to the cable television industry and to U.S. copyright policy remain unanswered.

NCTA therefore urges the subcommittee to proceed on this issue with great caution.

Unlike other nations, protection of intellectual property in the United States has long been the result of a balance struck between the interest of the public in the greatest possible access to information and the interest of authors in protecting and controlling distribution of their creations.

Our American commitment to balance the public's interest in access to creative works against the private interest of authors may create a situation of friction with some of the concepts in the Berne Convention, which was developed by countries that do not agree with the value we place on the robust flow of ideas.

As you are well aware, prior to enactment of the 1976 Copyright Act, the U.S. Supreme Court had made it clear that cable television was free to retransmit any television broadcast signal without any copyright liability.

The copyright holders of television programming persuaded Congress that their proprietary rights in this programming had been unfairly limited by the Supreme Court. Congress provided some relief, but it refused to grant them exclusive control over the programming because of the public's interest in access to a wide diversity of programming choices provided by cable.

Congress recognized that, as a practical matter, it would be impossible for every cable operator to obtain retransmission rights through contract to all of the programs broadcast each day of each year by television stations.

Accordingly, Congress established a compulsory license. NCTA is encouraged by the draft report of the ad hoc working group on U.S. adherence to the Berne Convention, which concludes that the cable compulsory license is compatible with the Berne Convention. NCTA strongly agrees with the conclusion of the working group's report as far as it goes.

The ad hoc working group finds that the compulsory license granted by Congress, along with its attendant compensation arrangements, satisfies the requirements of the Berne Convention.

As far as cable retransmission of distant independent television signals is concerned, NCTA wholeheartedly agrees. However, the compulsory license granted by Congress is not limited to retransmission of just those signals. It also allows cable systems to retransmit local television signals, network television signals and, in some cases, the signals of Mexican and Canadian television stations.

It is not clear whether use of the compulsory license for retransmission of these types of broadcast signals, consistent with the 1976 Copyright Act, would be compatible with the Berne Convention.

Although the working group correctly points out that all cable systems pay some compulsory license fees, copyright holders may not collect these fees or any portion of them for cable retransmission of local or network programming. There simply is no monetary payment made for this programming.

Economic benefit for cable retransmission of this programming is provided through larger audience shares, which in turn translates into larger advertising revenues. This situation clearly is equitable and reflects a working balance between the public's interest in access to programming and private protection of copyright holders.

It is not, on its face, however, consistent with the terms of the Berne Convention, which require remuneration to be "fixed by competent authority."

Some observers have offered the opinion that it is of little consequence whether or not cable's compulsory license is compatible with Berne because the terms of that compact would apply only to U.S. treatment of foreign works and would not disrupt domestic law. This approach ignores both the legal and political context of the compulsory license.

Mr. Chairman, my time is up. My statement also reviews our concerns about the moral rights provision. I understand the entire statement will be placed in the record.

Senator MATHIAS. It will.

[Mr. Merlis' submissions for the record follow:]

PREPARED STATEMENT OF EDWARD A. MERLIS

Mr. Chairman, members of the Subcommittee, my name is Edward A. Merlis, and I am Vice President, Government Relations of the National Cable Television Association. NCTA is the principal trade association of the cable television industry. Its members include more than 2,000 cable television systems operating throughout the United States, serving approximately 29 million homes.

NCTA appreciates the opportunity to appear before you today to discuss the potential impact on cable television and cable television programmers that would result from U.S. accession to the Berne Convention.

At this time, NCTA takes no position on the question of whether the United States ultimately should become a signatory to the Berne Convention. Despite the yeoman efforts of the State Department's Ad Hoc Working Group on U.S. Adherance to the Berne Convention, several questions of key significance both to the cable television industry and to U.S. copyright policy remain unanswered. NCTA therefore urges the Subcommittee to proceed on this issue with great caution and deliberation until the impact of signing the Berne Convention is more thoroughly understood.

Joining an international copyright accord is delicate business, made so by some fundamental differences between the character of our society and that of other nations. The United States can be distinguished from most other countries by the commitment it has made as a society to free speech, free press, and the free flow of information and ideas. This freedom has always been part of the bedrock of our republic. These principles have been reflected in America's copyright laws.

Unlike other nations, protection of intellectual property in the United States has long been the result of a balance struck between the interest of public in the greatest possible access to information and the interest of authors in protecting and controlling distribution of their creations. The U.S. Supreme Court held as long ago as 1834 that there is no common law right in America for an author to retain sole control over distribution of a work once it is published.1/ To the contrary, the exclusive rights to a copyright or patent are customarily granted by Congress subject to qualifications and limitations as it sees fit to impose in furtherance of the public interest. As Mr. Justice Stewart put it more recently, "The limited scope of the copyright holder's statutory monopoly, like the limited copyright duration required by the Constitution, reflects a balance of competing claims upon the public interest; creative work is to be encouraged and rewarded, but private motivation must ultimately serve the cause of promoting public availability of literature, music, and the other arts."2/

Our American commitment to balance the public's interest in access to creative works against the private interest of authors may create a situation of friction with some of the concepts in the Berne Convention, which was developed by countries that do not agree with the value we place on the robust flow of ideas.

The historical combination of public and private interest in copyright can be seen in the current arrangement for cable retransmission of television broadcast signals, established under the Copyright Reform Act of 1976. As the members of this subcommittee are well aware, prior to enactment of that law, the U.S. Supreme Court had made it clear that cable television was free to retransmit any television broadcast signal without any copyright liability. The copyright holders of television programming, primarily the major motion picture studios, persuaded Congress that their proprietary rights in this programming had been unfairly limited by the Supreme Court. Congress provided some relief, but it refused to grant them

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1/ Wheaton v. Peters, 33 U.S. 591 (1834)

2/ Twentieth Century Music Corporation v. Aiken, 422 U.S. 151 (1974) exclusive control over the programming because of the public's interest in access to a wide diversity of programming choices provided by cable.

Congress recognized that, as a practical matter, it would be impossible for every cable operator to obtain retransmission rights through contract to all of the programs broadcast each day of each year by television stations. Accordingly, to further the public interest, Congress established a compulsory license through which cable may retransmit television broadcast signals, subject to statutory conditions and, in some cases, subject to compensation arrangements set by the statute or the Copyright Royalty Tribunal. The result of this congressional balance has been the protection and, I dare say, the substantial enrichment of copyright holders and, at the same time, the provision of an unparalleled diversity of programming choices for cable consumers.

NCTA is encouraged by the draft report of the Ad Hoc Working Group on U.S. Adherence to the Berne Convention, which concludes that the cable compulsory license is compatible with the Berne Convention. NCTA strongly agrees with the conclusion of the working group's report, as far as it goes. However, NCTA is deeply concerned that questions of major significance have not been addressed by the working group or, to our knowledge, anyone else, and therefore remain unresolved. NCTA strongly urges the subcommittee to seek clearer answers to these questions before reaching a recommendation on whether or not the United States should become a signatory to the Berne Convention.

Article 11 bis (2) of the Berne Convention states:

> "It shall be a matter for legislation in the countries of the Union to determine the conditions under which the rights mentioned in the preceding paragraph may be exercised, but those conditions shall apply only in the countries where they have been prescribed. They shall not under any circumstances be prejudicial to the moral rights of the author, nor to his right to obtain equitable

> remuneration which, in the absence of agreement, shall be fixed by competent authority."

The Ad Hoc Working Group finds that the compulsory license granted by Congress, along with its attendant compensation arrangements, satisfies the requirements of the Berne Convention. The Copyright Office proposes no change in its draft implementing legislation, so presumably it goes along with that view. As far as cable retransmission of distant independent television signals is concerned, NCTA wholeheartedly agrees. However, the compulsory license granted by Congress is not limited to retransmission of just these signals. It also allows cable systems to retransmit local television signals, network television signals, and, in some cases, the signals of Mexican and Canadian television stations. As NCTA pointed out in its comments both to the working group and to the Copyright Office, it is not clear whether use of the compulsory license for retransmission of these types of broadcast signals, consistent with the 1976 Copyright Act, would be compatible with the Berne Convention.

In striking the balance in 1976 between the public interest and private interest in cable retransmission of broadcast programming, Congress recognized that local broadcasters and copyright holders receive significant economic benefit from carriage on cable systems. Congress correctly found that cable retransmission of local and network television programming is an important aid to the efforts of the copyright owners and broadcasters to exploit this intellectual property by reaching the largest audience possible. In light of this finding, Congress wisely decided that it was unnecessary for cable to provide further economic benefit in the form of monetary payment.

The Ad Hoc Working Group is aware of this distinction. Their draft report states:

> "It might be argued that the cable compulsory license is incompatible with Article 11 bis (2) because it does not prescribe

remuneration for the retransmission of local, as opposed to distant, broadcast signals. However, the fact is that all cable systems -- whether they carry distant signals or not -- pay some compulsory license fees, persuant to 17 U.S.C. section 111. And, the proponants of the cable compulsory license argue in response, under the American system of broadcasting, local cable carriage increases audience, which is the basis for remuneration of copyright owners."

NCTA is somewhat uncomfortable with this reasoning. Under the structure of the Berne Convention, it is clear that cable retransmission of a broadcast signal is a separate "distribution" of protected work. A retransmission pursuant to a compulsory license arrangement would be compatible with the Berne Convention only if it did not frustrate the "moral rights" of the author or his or her "right to obtain equitable remuneration."

Although the working group correctly points out that all cable systems pay some compulsory license fees, regardless of whether or not they carry distant signals, copyright holders may not collect these fees or any portion of them for cable retransmission of local or network programming. There simply is no monetary payment made for this programming. As previously noted, economic benefit for cable retransmission of this programming is provided through larger audience shares, which in turn translates into larger advertising revenue. This situation clearly is equitable and reflects a working balance between the public's interest in access to programming and private protection of copyright holders. It is not on its face, however, consistant with the terms of the Berne Convention, which requires remuneration to be "fixed by competent authority."

Mr. Chairman, it is not our intent here to derrogate or criticize the report of the Ad Hoc Working Group. NCTA raised these issues in its comments to them and to the Copyright Office on the draft report. The problem I bring to your attention here is a greater one. In the final analysis, it is not particularly important what the working group, NCTA, or others here today think is compatible with the Berne Convention. The only thing that truly counts is what the World Intellectual Property Organization, which administers the Berne Convention, thinks is compatible with its terms. NCTA is not aware of any direction from that group, or from the Court of International Justice, which arbitrates disputes between members of the Berne Covention, on whether the compulsory license arrangement under the U.S. copyright law would satisfy the requirements of reciprocal protection established by the Berne Convention.

Some observers have offered the opinion that it is of little consequence whether or not cable's compulsory license is compatible with the Berne Convention because the terms of that compact would apply only to U.S. treatment of foreign works and would not disrupt existing domestic law. These observers note that the overwhelming majority of programming carried on the U.S. cable systems is produced here, and therefore not subject to the Berne Convention. Accordingly, these observers do not find the issue of cable's compulsory license to be particularly relevant.

This approach ignores both the legal and political context of the compulsory license.

First, 17 U.S.C. 111 provides a compulsory license for cable systems located near the Mexican and Canadian borders to retransmit television programming broadcast from stations in those neighboring countries. Where those stations would qualify as local stations if they were domestic (that is, generally, if they are within 35 miles of any portion of the cable system) they are treated as local signals for purposes of copyright payment. The issue, then, of whether the benefit of being carried on these cable systems constitutes "remuneration" compatible with the Berne Convention is raised squarely in these situations. As I noted previously, NCTA is not comfortable that a clear answer to the impact on these systems of signing the Berne Convention yet exists.

Second, NCTA's experience in exercising the compulsory license, and in dealing under it with copyright owners and broadcasters, has taught us that the issue never strays too far from its political origins. Earlier this year, the broadcast industry launched a major effort to get Congress to repeal the compulsory license. Now, the motion picture industry and other copyright holders have announced their intent to abolish the system.

Legislation to conform with the Berne Convention should not become a mechanism to sidrupt the balance of public and private interests that Congress has fashioned for domestic copyright law. NCTA is also extremely suspicious of the concept of "moral rights" embodied in the Berne convention. As noted above, Article 11 bis (2) places two qualifications on the creation of a compulsory license. One is the remuneration issue already discussed, the other provides that an author's "moral rights" can not be frustrated. The Copyright Office and the working group conclude that the United States already has the functional equivalent of "moral rights" when all the potentially applicable law is considered. While NCTA agrees that authors' works are accorded substantial protections under American law, we do not believe that these protections reach the concept of inalienable "moral rights".

The problem becomes particularly acute in work made for hire. Suppose, for example, that a cable programming service commissions an original production by someone who qualifies for protection under the Berne Convention. Despite any contractual rights that the creator might assign to the programming service, "moral rights" could be asserted by the creator to prevent editing necessary to comport with community standards, or even necessary to make the production fit within a prescribed time slot for telecasting. A real-time medium such as a cable programming service could not operate if it were vulnerable to the subjective whim and caprice of each author of the works it telecasts. NCTA believes that the creation of "moral rights" would have a serious, deleterious effect on American copyright policy, that would add needless protection for private interact at the public's expense.

The balance between the public's interest in programming and the private interests of copyright owners is one of dynamic tension. Since the arrangement was established by Congress in 1976, copyright owners have been unrelenting in their efforts to skew the balance toward their private gain. They did so when they persuaded the CRT to raise the cost for new distant signals to the now infamous level of 3.75% of a cable system's gross basic revenues. That single action, which raised the cost of some signals by over 1,500%, forced cable systems serving 10 million homes across the country to drop signals temporarily enjoyed by their subscribers. Copyright holders have also skewed the balance toward their private interests in persuading the Copyright Office to adopt rules which force consumers to overpay copyright royalties for some signals, in other cases, charge consumers royalty fees for programming they don't even receive.

All of these actions, and others, are the subject of long-standing, well-known disputes between cable, copyright owners, and broadcasters. The members or this subcommittee are more than familiar with these issues, and I need not belabor them here. My point is this: NCTA can not support adherence to the Berne Convention if that will result in fundamental changes in domestic copyright law. The legislation proposed by the Copyright Office appears largely unobjectionable to the cable industry. We are particularly pleased that it does not propose any change in the compulsory license and does not include any provisions to recognize "moral rights." However, NCTA believes the subcommittee should develop the record further, finding the answers to questions raised by us and others at these hearings, before it proceeds to consideration of a bill.

RESPONSES FROM MR. MERLIS
TO WRITTEN QUESTIONS SUBMITTED BY SENATOR MATHIAS

1. In your testimony you express some apprehension about one of the Ad Hoc Working Group's conclusions. While you agree that the cable compulsory license fees that are paid for distant signals are Berne compatible, you have doubts about whether the compulsory license for cable retransmission of local or network programming is compatible because no fees are paid to copyright holders for these retransmissions. If we were to go ahead and adhere to Berne, what do you propose as a solution assuming your fears about cable retransmission of local programming are correct? Would this problem be solved if Congress both said that the current cable compulsory license is consistent with Berne and took steps to ensure that the Convention is not self-executing?

2. In your testimony you express concern over the issue of moral rights. You state that, "Despite any contractual rights that the creator might assign to the programming service, 'moral rights' could be asserted by the creator to prevent editing necessary to comport with community standards, or even necessary to make the production fit within a prescribed time slot for telecasting." What has been the experience of cable in other countries such as France, which has a long tradition of moral rights? Would your concerns be put to rest if the Congress could assure that the Convention is not self-executing?

* * *

National Cable Television Association

Edward A. Merlis
Vice President
Government Relations

1724 Massachusetts Avenue, Northwest
Washington, D.C. 20036
202 775-3644

June 16, 1986

The Honorable Charles McC. Mathias
Chairman
Subcommittee on Patents, Copyrights
and Trademarks
Committee on the Judiciary
U.S. Senate
Washington, DC 20510

Dear Chairman Mathias:

This letter is in response to your and Senator Specter's request of May 21st concerning the views of the National Cable Television Association on United States accession to the Berne Convention.

At the outset, it may be helpful to summarize very briefly the points I raised in my testimony.

1. NCTA is opposed to any action in regard to the Berne Convention which would directly or indirectly disrupt domestic copyright law.

2. The study and debate surrounding accession to the Berne Convention seem to presume that accession is, in fact, desirable and tends to focus only on whether, in the abstract, certain elements of domestic copyright law are compatible. NCTA knows of no body of knowledge which has attempted to measure or predict the potential impact on domestic copyright law that accession to the Berne Convention is likely to cause, but believes such a body of knowledge should be developed so that the desirability of accession may be determined by more than intuition.

3. Congress should not act on the Berne Convention simply to satisfy legal or diplomatic convenience, unless it also understands, at the same time, what the impact of that action would be.

4. NCTA is opposed to U.S. accession to the Berne Convention based on the inadequate record. NCTA urges Congress to study the matter more carefully and deliberately before making its decision.

Unfortunately, NCTA at this time can only identify for you, as we did in our testimony, the key areas in which the body of knowledge concerning the Berne Convention and its impact are critically deficient in relation to cable television. If NCTA had the answers to the questions that we raised in our testimony, we would be pleased to point them out to the subcommittee.

Our point, Mr. Chairman, is this: the balance of American domestic copyright law is an extremely delicate one. Yet based on that balance, American consumers have access to a greater diversity of creative work than do consumers anywhere. And, consumers have responded to this availability through an ever-increasingly voracious appetite for creative works. In return, the authors of creative works have been protected and enriched. Until we all have a better understanding of the likely impact of accession to the Berne Convention, Congress should not risk disruption of the copyright balance that should stand as a model to the world.

NCTA's concerns would not be ameliorated by Congressional assurances that the Convention is not self-executing. Even with the impotence that seems to characterize international accords NCTA finds it difficult to believe that accession to the Berne Convention would not, at a minimum, set into motion forces which ultimately would disrupt the balance of domestic copyright law, particularly where the issue of "moral rights" is concerned.

NCTA understands that the principal proponents of U.S. accession to the Berne Convention, other than the State Department which seeks it as a matter of diplomatic facility, are copyright holders concerned about piracy of their products in foreign markets. Although NCTA is sympathetic to this serious problem, this group has failed to demonstrate any meaningful cause and effect which will occur between U.S. accession and stopping the piracy problem. We suggest, for example, that U.S. accession to Berne will have little, if any, impact on stopping piracy in countries like Taiwan.

NCTA agrees that international piracy of protected intellectual works is a pressing problem which the United States government needs to address. However, we believe that there are diplomatic and trade measures which may be taken which are far less drastic or precarious in nature than acceding to the Berne Convention when we do not adequately understand the impact of this action.

NCTA respectfully requests that this response to your questions, Mr. Chairman, be made a part of the record of the Subcommittee's hearings. We look forward to working with the Subcommittee further and answering any more questions that it might have.

Sincerely,

Edward A. Merlis

Edward A. Merlis

Senator MATHIAS. Mr. Olsson.

STATEMENT OF HARRY R. OLSSON, JR.

Mr. OLSSON. Thank you, Mr. Chairman. CBS, like other broadcasters, is not only a user of copyrighted works, but an owner of them as well. In both roles, American broadcasters are adversely affected when copyright protection in a foreign country is denied.

The people on the last panel criticized U.S. use of the back door to Berne. If we want to be in a position to reform the freeloaders of the world, we cannot be one ourselves. So CBS supports U.S adherence to Berne.

There are countries that are very friendly to us, but nevertheless provide us with no copyright protection, other countries where the copyright protection is selectively insufficient. One example, Mr. Chairman, of selective insufficient protection is Canada.

This normally friendly neighbor does not grant copyright protection against the retransmission of copyrighted works contained in broadcast signals. Retransmission permission need not be secured nor payment made. Canada is one of the most heavily cabled countries in the world. Its cable systems regularly retransmit to their subscribers the broadcasts of affiliated stations of the three U.S. national networks.

Moreover, a private corporation called Canadian Satellite Communications, Inc., or Cancom, has made itself the distributor of the copyrighted works contained in these broadcast signals to cable systems all over Canada.

Its method of doing business is to intercept the signals of the U.S. network affiliates, scramble the signals it has intercepted, and charge the cable systems for the right to retransmit to the cable system subscribers what Cancom has poached from the broadcasters.

Under present Canadian copyright law, neither cable system retransmissions nor Cancom retransmissions are protected. There is some hope now that Canada will adopt a new law which will provide some protection.

Both Canada and the United States adhere to the Universal Copyright Convention, which prescribes national treatment for the works of other contracting state nationals, and also that the protection must be adequate and effective.

There is no help for us in that convention, however, because Canada does not give its own nationals retransmission protection, and because Canada obviously claims that the protection it offers satisfies the adequate and effective test.

Canada is a member of the Berne Convention, but it is bound only by the early Rome text of 1928, which provides no protection against retransmission. Berne's present text does. U.S. adherence to the present text of the Berne Convention would not be a panacea for the Canadian broadcast retransmission problem. However, U.S. adherence would have the effect of encouraging entry into Berne by other nonmember countries and of encouraging the acceptance of Berne's present higher standards by countries like Canada.

Adherence would remove the international embarrassment of the United States, the world's largest exporter of intellectual works, urging higher standards protection while it is not a member of the higher standards international convention.

Furthermore, Congress and the administration have wisely made the international recognition of intellectual property rights a majority priority of our trade policy. The last panel talked about the GATT and the inclusion of an intellectual property code in GATT. We at CBS think that is a great idea.

The chief obstacle to U.S. entry into Berne has been the manufacturing clause of our copyright law, and politically, we think, it is probably the most difficult obstacle to get over.

The clause is due to expire by its own terms at the end of June 1986, and we submit it should be allowed to expire. The clause seriously weakens our international copyright protection efforts. It also appears to violate our international trade obligations under GATT because it discriminates in favor of Canada against other GATT members, and because it extends protection to a domestic industry other than by the application of its import duties.

Thank you very much, Mr. Chairman, for the opportunity to be heard.

[Mr. Olsson's submission for the record follow:]

PREPARED STATEMENT OF HARRY R. OLSSON, JR.

General Attorney, CBS Inc.

SUMMARY

Standards of copyright protection are low in certain parts of the world. For example, broadcast signals and programs are used in many foreign countries without permission or compensation; Canada is one such country.

The United States should adhere to the Berne Convention to raise international copyright protection standards.

The chief obstacle to United States adherence to Berne is the Manufacturing Clause which is scheduled to expire at the end of June 1986.

The Manufacturing Clause is also generally an obstacle to the achievement of the international intellectual property protection and trade objectives of Congress and the Administration. The clause violates the General Agreement on Tariffs and Trade.

The Manufacturing Clause should be permitted to expire as scheduled.

* * *

Mr. Chairman, gentlemen, CBS appreciates this opportunity to express its views. My name is Harry R. Olsson, Jr. During the past 33 years I have worked as a broadcast lawyer. Since 1969 I have been a General Attorney of CBS Inc. During these years I have had an interest in domestic and international copyright and communications, and been active in such professional circles.

I am here to urge that the United States adhere to the Berne Convention for the Protection of Literary and Artistic Works. Since you will be hearing many people today, I shall refer to the general benefits to the United States of Berne membership but confine my specific references to the subject of broadcasting and broadcast retransmissions.

Because of our domestic copyright law, commercial broadcasters in the United States must obtain and pay for a license from the copyright owner of a work before they broadcast it.

This is as it should be, both because the author should be rewarded by those who use the product of his creative genius and because without material incentive for the author few works would be created.

Commercial broadcasters are, by definition, users of copyrighted works. But they also are creators and owners of copyrighted works, for example their local and network news programs. In addition they create and own entertainment and other types of programs.

Broadcasters in their copyright ownership role have the same interest as other copyright owners and the same justified claim for protection that other copyright owners have.

However, because of the low standards of copyright protection in certain parts of the world, we see our broadcast signals and broadcast programs used in many foreign countries without our permission and without any compensation. A sad example is our normally good neighbor to the north, Canada.

Canada's present copyright law does provide protection to the copyright owner against unlicensed broadcasting but that law permits cable systems without a copyright license to retransmit the copyright works contained in broadcast signals, both Canadian and American, without any liability. That law even permits Canadian Satellite Communications, Inc. (CANCOM) to distribute by satellite without copyright license or payment copyrighted American programs to hundreds of cable systems all over Canada. CANCOM scrambles the satellite signals so that CANCOM can collect fees from CANCOM's cable customers for the programming that CANCOM has poached from us.

Canada is in the process of revising its copyright law but it is uncertain whether any new law will provide justice to the owners of those retransmitted copyrighted works. Some Canadians feel that the cost of providing such justice would be too high -- and would be against Canada's self-interest.

The United States has copyright relations with Canada. Canada has been a member of the Universal Copyright Convention, Geneva version, since August 10, 1962. The United States has been a member of the Universal Copyright Convention, Geneva version, since September 16, 1955 and of the Universal Copyright Convention, Paris version, since July 10, 1974.

The earlier Geneva version by which Canada is bound provides only that the level of protection it must grant works of Contracting State nationals must be the same as Canada provides to works of its own nationals and that the protection must be "adequate and effective."

Canada provides no retransmission rights to works of its own nationals, and obviously takes the position that its law has satisfied the "adequate and effective" test. There is no way under the Universal Copyright Convention to get Canada to provide broadcast retransmission rights.

As for the Berne Convention, Canada has been a member of the Berne Union since its beginning in 1886. It is presently now bound by the Rome text (1928) which provides no protection against retransmission. Not having adhered to them, Canada is not bound by subsequent texts of Berne which have increased the extent of protection. In particular, the present text of Berne, the Paris text, provides that protection against broadcast retransmissions must be given, although the protection may be subjected to a compulsory license -- provided the author is given equitable renumeration fixed by competent authority. A country adhering to Berne now will be bound by the Paris text.

United States adherence to the Berne Convention would not, of course, be a panacea for the Canadian broadcast retransmission problem. However, United States adherence to the Berne Convention would have the effect of encouraging entry into Berne by other non-member countries, and of encouraging the acceptance of Berne's present higher standards by countries like Canada. Adherence would remove the international embarrassment of the United States, the world's largest exporter of intellectual works, urging higher-standards protection while it is not a member of the higher-standards international convention.

Congress and the Administration have wisely made the international recognition of intellectual property rights a major priority of our trade policy. At the coming international trade talks later this year, the United States will be urging the inclusion of intellectual property issues within the trading rules of the General Agreement on Tariffs and Trade (GATT). The Task Force on Intellectual Property of the United States Trade Representative's Advisory Committee on Trade Negotiations has recommended that the Trade Representative work towards securing international agreement on a separate GATT intellectual property code. The code would extend protection to works spawned by new technology and provide protection for the delivery of works by new technology. The code would provide a mechanism for dispute resolution by code members. The standards in the code would be taken from the Berne Convention. Cleary, the effectiveness of the United States at the talks will be much enhanced if the United States is well along the road to entering Berne.

There appears to be widespread agreement that the chief obstacle to United States adherence to Berne is the notorious Manufacturing Clause of our copyright law.

A highly protectionist measure, the Manufacturing Clause denies copyright protection for, and prohibits the importation into for public distribution in the United States of, a copyrighted work consisting preponderantly of nondramatic literary material in the English language by American authors (nationals and domiciliaries) unless it has been manufactured in the United States or Canada. In the eyes of the world, it has no defensible place in the copyright law of an enlightened nation.

The Manufacturing Clause is not only an obstacle to the achievement of our international intellectual property objectives. It is also an obstacle to the international free flow of information which the United States has so long supported. The clause violates our international trade obligations under GATT because it discriminates in favor of Canada against other GATT members, and because the clause extends protection to a domestic industry other than by its import duties.

Fortunately, Congress need do nothing to rid the United States of this embarrassing obstacle to the achievement of its goals. The Manufacturing Clause will expire by its own terms at the end of June 1986, and we submit it should be allowed to do so.

In summary, CBS believes the United States should adhere to the Berne Convention to further its international copyright and its international trade objectives. To prepare itself for adherence, it should allow the Manufacturing Clause to expire.

Thank you for the opportunity to appear and to make this statement.

CBS
CBS Inc., 51 West 52 Street
New York, New York 10019
(212) 975-4035
Harry R. Olsson, Jr., General Attorney

Re: United States Adherence to the Berne Convention

Dear Senator Mathias: June 11, 1986

As a follow-up to my April 15, 1986 testimony supporting United States adherence to the Berne Convention, you sent me two questions with your letter of May 21st.

Noting that it is obvious that I cannot speak for all those in my field, you ask whether American broadcasters generally support adherence to Berne, and whether our trade associations have taken a position on the question. In terms of individual broadcast entities, I am unaware of any position taken except for NBC and CBS, both with important international copyright concerns. They support adherence.

The National Association of Broadcasters as yet has taken no position on Berne. The subject has been discussed at meetings of the Copyright Committee, of which I am a member. At the meetings, while questions have been asked, no opposition to Berne has been expressed. Due to pressing domestic concerns affecting the industry, the consideration of this comparatively arcane subject has, unfortunately, not been concluded -- but not because of any active opposition. I expect and hope that the matter will move along more quickly now, in part because of your subcommittee's interest.

Secondly, you ask me to explain any incompatibility between compulsory licensing for public broadcasting and Berne, and how I see it being resolved. Section 118 of the Copyright Act of 1976 contains a compulsory license with respect to published nondramatic musical works and pictorial, graphic and sculptural works for public broadcasters both to perform or display (broadcasting) such works in the course of their transmissions and, to produce those programs for such transmissions, reproducing such works in the course of doing so.

Article 11 bis (1) of Berne requires that authors of literary and artistic works shall enjoy the exclusive right of authorizing "the broadcasting of their works....," but Article 11 bis (2) of Berne allows compulsory licensing of the right providing the author has a right to obtain "equitable renumeration which, in the absence of agreement, shall be fixed by competent authority." Quite clearly, our present law which directs in section 801 that the Copyright Royalty Tribunal shall make determinations as to reasonable terms and rates of royalty payments, meets Berne's requirement of equitable-renumeration-fixed-by-competent-authority for a broadcasting compulsory license.

Article 9(1) of Berne requires that authors of literary and artistic works "shall have the exclusive right of authorizing the reproduction of these works, in any manner or form." However, Article 9(2) provides that "It shall be a matter for legislation in the countries of the Union to permit the reproduction of such works in certain special cases, provided that such reproduction does not conflict with the normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author."

It appears to me that public broadcasting, when reproducing published nondramatic musical works or pictorial, graphic or sculptural works in ancillary connection with its permitted broadcasting of such works, can be justified as an instance of the "certain special cases" envisioned by Article 9(2). Certainly in this country our government, laws and regulations regard and treat public broadcasting as something quite special. If that be so, so long as it is, the compulsory-licensed reproduction of such works for such use neither conflicts with the normal exploitation of the work nor unreasonably prejudices the legitimate interests of the author of it. I believe our present law in this respect is compatible with the requirements of Berne. I understand that the argument has been made that Article 9(2)'s language "to permit the reproduction" cannot include doing so on condition of securing a compulsory license, but I see no valid basis for the argument.

You also asked for any comments I might have on the draft of implementing legislation prepared by the Copyright Office. Unfortunately, available time has not permitted me to give this matter all of the attention it needs and deserves nor to determine whether my views coincide with those of CBS. However, permit me several observations which I believe would survive attention. The Congress should declare Berne to be not self-executing. The law should go no further in its application of moral rights than it now does. Lastly, as I testifed on April 15th, the manufacturing clause should be allowed to expire.

Thank you for the opportunity to comment.

With best wishes.

Sincerely,

Harry R. Olsson Jr.

The Honorable Charles McC. Mathias, Jr.
Chairman, Subcommittee on Patents,
Copyrights and Trademarks
Room 137
Dirksen Senate Office Building
First Street and Constitution Avenue, N.W.
Washington, D.C. 20510

Senator **Mathias**. Thank you very much, Mr. Olsson.

STATEMENT OF ELROY WOLFF

Mr. **Wolff**. Good morning, Mr Chairman. I am Elroy Wolff, representing the Amusement & Music Operators Association. AMOA is the trade association for the jukebox industry, Mr. Mathias.

We would like to make four main points in summary of our prepared statement. First, the jukebox industry is in decline, and has been for several years. In 1976, approximately 20,000 jukeboxes were sold in the United States. Sales for 1983 totaled just over half of that, a little under 12,000.

Senator **Mathias**. These are new jukeboxes?

Mr. **Wolff**. Yes, Senator.

The second measure of that decline is, in 1973, sales of 45-RPM records, of which the industry is by far the major purchaser, totaled 228 million. In 1983, only 125 million 45-RPM records were sold.

In 1978, in the United States, there were approximately 143,000 licensed jukeboxes. In 1985, there were less than 100,000. So this is very clearly an industry that is in decline and that is suffering decline in its profit margins and its general economic condition.

Any increase in the costs that the industry experiences will only aggravate that decline.

Second, elimination of the existing compulsory license for jukeboxes will inevitably result in increased costs to the industry. In addition, it will result in a decline in revenues to copyright owners.

Obviously, if there is less of a jukebox industry, there is going to be less money going back to copyright owners in the form of royalties. That is certainly not beneficial to copyright owners or the industry.

Third, there have been some suggestions here this morning with regard to a so-called two-tier system. We do not believe that a two-tier system is practical. We do not think it will be effective.

The natural consequence of a two-tier system appears to the jukebox industry to be that the owners of foreign copyrights probably will not have their works used in this country, or will be used to a much lesser extent, again not to their benefit by any means.

Finally, as our last main point, I am very troubled to hear people learned in constitutional law, international law, and copyright law debating here this morning the consequences of U.S. adherence to Berne.

I have nothing to offer on that, except to say that it should not be left in a state of uncertainty. To be sure, as far as the compulsory license is concerned, we urge that whatever the outcome is with regard to U.S. accession to Berne that the compulsory jukebox license mechanism be retained, and that whatever mechanism is used for accession to Berne, the Congress make clear that there is no intention to eliminate the compulsory jukebox license.

[Mr. Wolff's submissions for the record follow:]

STATEMENT OF THE
AMUSEMENT AND MUSIC OPERATORS ASSOCIATION

Good Morning, Mr. Chairman, Members of the Subcommittee. I am Elroy Wolff, representing the Amusement and Music Operators Association (AMOA). I am accompanied by AMOA's Washington representative, Mark Griffiths. We appreciate this opportunity to testify on the question of United States adherence to the Berne Convention For The Protection of Literary and Artistic Works.

AMOA's 1600 members own over half of the jukeboxes in the United States. AMOA has represented its members for many years on copyright issues, and actively participated in the legislative process that led to revision of the United States Copyright Act in 1976. Subsequently, AMOA has negotiated with the performing rights organizations -- ASCAP, BMI and SESAC -- with regard to several aspects of the jukebox compulsory license provided for in Section 116 of the Copyright Act of 1976.

Earlier this year, the Ad Hoc Working Group on United States Adherence to the Berne Convention delivered a Draft Preliminary Report that concludes that the US compulsory license for jukeboxes is incompatible with the Berne Convention, at least insofar as works of foreign origin are concerned. AMOA submitted comments on the Draft Report on March 31. For the convenience of the Subcommittee, a copy of AMOA's comments is attached to our prepared testimony. Of particular concern to AMOA is that the consequences for our industry of US accession to Berne are unclear. We believe, as Mr. Donald Curran, then-acting Register of Copyrights stated in testimony before this subcommittee last year, that:

> "What is at stake in our system is the amendment of our copyright law by treaty. This should not be allowed to happen by inadvertence." (Page 31).

Nor do we believe it should happen intentionally. The question of whether Berne is self-executing should not be left to the uncertainties and delays of future litigation. What the industry, copyright owners and the public need is efficiency, certainty and rpedictability.

Our testimony today will focus on the state of the industry and our view of the consequences of U.S. adherence to Berne.

The State of the Industry

The jukebox industry is in decline. In 1976, 20,789 jukeboxes were sold in the United States. Sales for 1983 totalled just over half of that -- 11,818. It is estimated that today there are roughly 225,000 jukeboxes in operation in the United States, of which 50,000 - 60,000 are owned by the restaurant, tavern or other establishment in which they are located.

In 1973, sales of 45 rpm records (of which the industry is by far the major buyer,) totalled 228 million. In 1983, only 125 million 45 rpm records were sold.

Information supplied by the U.S. Copyright Office further details the downward trend in the industry. The following table shows the number of licensed jukeboxes for the years 1978 through 1985 (as of February 1986):

1978	143,396	1982	126,400
1979	138,158	1983	114,341
1980	137,167	1984	104,313
1981	135,339	1985	99,366

One of the major factors explaining this decline is the rapid increase in the licensing fee from $8 per jukebox in 1978 to $50 today. Any new costs associated with licensing--which could result from U.S. accession to Berne-- would only hasten this downward trend.

AMOA strongly believes that any system that separates foreign works from works of domestic origin with respect to jukebox licensing would be unduly burdensome to all concerned, because it could require the operator to secure both a compulsory license for works of U.S. origin _and_ negotiate a license (or licenses) for foreign works. Although it has been suggested that there are _de facto_ compulsory licensing systems in some European countries, AMOA believes that reliance cannot be placed on mechanisms that lack a clear legal foundation.

A Two-Tier System Will Not Work

In short, AMOA's primary concern is that U.S. adherence to the Berne Convention could, without some modification or reservation, create a situation whereby each individual jukebox operator would be required to negotiate with each individual owner of a copyright of a work of foreign origin, if the operator wished to offer that work on his jukebox. Given the approximately 225,000 jukeboxes in operation in the United States, two results are likely.

1. If jukebox operators choose, at considerable expense, to negotiate individually with foreign copyright owners, the additional expense would almost certainly result in a reduction in the number of jukeboxes in the U.S., leading to a decline in the royalties for all copyright owners.

2. More likely, however, many U.S. jukebox owners will decide to exclude works of foreign origin on coin-operated phonorecord players in this country. Because Article 11(1) of the Berne Convention calls for copyright owners to enjoy the exclusive right of authorizing public performances of their musical works, it is unlikely that jukebox operators would wish to enter into multilateral negotiations with foreign copyright owners. Therefore, if U.S. jukeboxes were limited solely to domestic works, foreign copyright owners would be deprived of royaltypayments and professional exposure in this country.

U.S. Copyright Office Legislative Proposals

AMOA has not had sufficient time to study the proposals put forward last week by the U.S. Copyright Office, and would prefer not to make any conclusive statement at this time or be bound to any viewpoint on the Copyright Office's suggestions. It appears to us, however, that the mechanism proposed would add at least one more layer to a system that is already in place and working. Credit for this is due in no small measure to the voluntary agreement arrived at last year between AMOA and the performing rights societies. At this time, therefore, we are far from convinced of the utility of the Copyright Office's proposals.

Conclusion

AMOA believes that if U.S. copyright law is incompatible with Berne, Congress should consider carefully whether the United States should adhere to the Berne Convention at all. If Congress decides that the U.S. should adhere to Berne, the U.S. should specify in its accession document that it does not intend that any provisions of U.S. law that are incompatible with Berne be amended as a consequence of adherence. Lastly, although AMOA believes that at their current levels the compulsory license fees are too high and have produced a decline in the number of jukeboxes in operation, we also oppose any changes in U.S. law that would further hasten the decline of the industry.

I thank the subcommittee, and will try to respond to any questions that you might have.

AMUSEMENT AND MUSIC OPERATORS ASSOCIATION
111 EAST WACKER DRIVE, SUITE 600 • CHICAGO, ILLINOIS 60601 • TELEPHONE (312) 644-6610

March 31, 1986

Mr. Harvey J. Winter
Office of Business Practices
EB/IFD/BP - Room 3531A
U.S. Department of State
Washington, D.C. 20520

Dear Mr. Winter:

The Amusement and Music Operators Association ("AMOA") submits these comments on the Draft Preliminary Report of the Ad Hoc Working Group on United States Adherence to the Berne Convention (hereinafter "Draft Report"). AMOA's 1600 members own over half of the jukeboxes in the United States. AMOA has represented its members for many years on copyright issues, and actively participated in the legislative process that led to the revision of the United States Copyright Act in 1976. Subsequently, AMOA has negotiated with the performing rights organizations -- ASCAP, BMI and SESAC -- with regard to several aspects of the jukebox compulsory license provided for in Section 116 of the Copyright Act of 1976.

As set forth in the Federal Register notice calling for comments, the purpose of the Ad Hoc Working Group on United States Adherence to the Berne Convention was "to identify those provisions of United States law that are incompatible with the Berne Convention, and that might require changes in United States law," if the United States were to accede to the Convention. 51 Fed. Reg. at 3707 (January 29, 1986). Although the Working Group draft thus refers to the need to make changes in U.S. law, the consequences of incompatibility of U.S. law with Berne are not clear.

In the foreword to the Draft Report, the Working Group stated that:

> "the President and Congress determine whether U.S. copyright law, other statutes and common law are compatible with Berne, and what changes, if any, are required to provide compatibility, i.e., protection of a nature that satisfies the requirements of Berne with respect to works of foreign origin." Draft Report at 8.

The Working Group also observed that the Director General of the World Intellectual Property Organization (WIPO) has advised the Working Group that the international bureau which administers Berne has no procedure for reviewing the instrument of accession filed by a prospective member to determine whether its laws are compatible with Berne.

The Working Group further noted that any complaint by another member country that U.S. law is not compatible with Berne "probably would have to be settled under Article 33(1) which provides that disputes between members concerning interpretation or application of the Convention shall be brought before the Court of International Justice," unless the country depositing its instrument of accession declares that it does not consider itself bound by the provisions of Article 33(1). Draft Report at 8-9.

Similarly, Mr. Donald C. Curran, Associate Librarian of Congress and then-Acting Register of Copyrights, in a statement made before the Subcommittee on Patents, Copyrights and Trademarks of the Senate Judiciary Committee, 99th Congress, 1st Session (May 16, 1985), ("Curran Statement") pointed out that it is not clear whether provisions of the Berne Convention are self-executing, i.e., whether they become the law of the land upon ratification of the treaty in the absence of separate implementing legislation. Mr. Curran stated that the Copyright Office had not recommended answers to the question relating to self-execution, but urged that the issue be carefully considered by Congress. AMOA strongly endorses Mr. Curran's statement that:

> "What is at stake in our system is the amendment of our copyright law by treaty. This should not be allowed to occur by inadvertence." Curran Statement at 31.

That is, if the United States copyright law is incompatible with Berne, Congress should consider carefully whether the United States should adhere to the Berne Convention at all. If the Congress decides that the United States should adhere to Berne, the United States should specify in its accession document that it does not intend that any provisions of U.S. law that are incompatible with Berne be amended as a consequence of adherence. Further, AMOA opposes any changes in the U.S. Copyright Act that would eliminate the compulsory jukebox license provisions. Elimination of the compulsory jukebox licensing provisions could, with respect to works of foreign origin, require jukebox operators to negotiate with every individual artist whose records were played on the jukebox. AMOA has spent the better part of the past five years working on an equitable solution to the copyright question, one that would provide protection and compensation for the artists, yet not place an overwhelming burden on jukebox operators. An agreement was finally arrived at and signed on May 13, 1985, between AMOA and the performing rights societies. If compulsory licensing for works of foreign origin is done away with through U.S. adherence to Berne, the already-declining jukebox industry could be fatally jeopardized. Any significant increase in costs (the certain result of adherence to Berne) would further reduce the number of jukebox locations that could be maintained. Reduction in the number of jukeboxes in operation would result in less revenue to copyright owners. Retention of the compulsory license is, therefore, in the best interests of the copyright owners and the jukebox operators.

When Congress established the compulsory license as part of the 1976 Copyright Act rewrite, the House Judiciary Committee report accompanying the bill stated that "no provision of the present law has attracted more heated denunciation and controversy than the so-called jukebox exemption . . .." H.R. Rep. No. 1476, 94th Cong., 2nd Sess. (1976), reprinted in 1976 U.S. Code Cong. & Ad. News 5727. After considering the arguments for and against retaining the then-existing exemption, the Committee concluded that:

> "2. Performances on coin-operated phonorecord players should be subject to a compulsory license (that is, automatic clearance) with statutory fees. Unlike other commercial music users, who have been subject to full copyright liability from the beginning and have made the necessary economic and business adjustments over a period of time, the whole structure of the jukebox industry has been based on the existence of the exemption." Id. at 5728.

Thus, in 1976 Congress recognized that although there was no justification for the continuation of a blanket exemption for jukeboxes, a system of automatic clearance with statutory fees should be adopted. Although AMOA believes that at their current levels these fees are too high and have produced a decline in the number of jukeboxes in operation, we also believe that the concept of compulsory licensing must be retained. Copyright owners are receiving substantial royalties from jukebox operators and the operators themselves are subject to a minimum of licensing burdens. AMOA is currently gathering information, to be presented in testimony before the the Senate Subcommittee on Patents, Copyrights and Trademarks, on the effect in Berne signatory countries of the absence of compulsory licensing.

The Draft Report and the statement of Mr. Curran conclude that Section 116 of the Copyright Act appears to be inconsistent with the minimum obligations of Article 11(1) of the Berne Convention. The Draft Report states that the compulsory license under U.S. law "is probably incompatible with the Convention insofar as it permits the public performance of such works without the consent of the owners of copyright therein." Draft report at Chapter 3, page 1. The Draft report further concludes that the jukebox license in Section 116 deprives copyright owners of the exclusive right of authorizing public performances of their musical works on a jukebox and that the only issue is whether the compulsory license represents a permissible exception to the public performance right mandated by the Berne Convention. The Draft Report concludes that it is probably not a permissible exception, at least insofar as it applies to works of foreign origin. Id. at 3. The Draft report sets forth several arguments supporting the view that compulsory licensing may not be incompatible with Berne, but concludes that none of those arguments is persuasive.

Whatever the merits of the arguments on incompatibility, it is clear that elimination of the compulsory licensing provisions of the U.S. law will adversely affect both copyright owners and jukebox operators. Accordingly, if the United States is to adhere to the Berne Convention, the compulsory licensing provisions of the U.S. copyright law should remain in force.

Respectfully Submitted,

AMUSEMENT AND MUSIC OPERATORS ASSOCIATION
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June 27, 1986

The Honorable Charles McC. Mathias, Jr.
Chairman
Subcommittee on Patents, Copyrights and Trademarks
Committee on the Judiciary
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The Amusement and Music Operators Association is pleased to respond to the written questions you posed in your letter of May 21, 1986, following up on the testimony we presented to your Subcommittee on April 15, 1986, summarizing the views of our members, who are owners of jukeboxes, on U.S. adherence to the Berne Convention. As we noted in our testimony, the question of U.S. adherence to Berne is very important to our members, who are struggling to survive in a declining industry under continuing cost pressures.

You asked for AMOA's comments on the suggestion of the Copyright Office staff that the U.S. Copyright Act be amended to provide for negotiation of licenses by copyright owners and operators of jukeboxes, coupled with an antitrust exemption for the negotiation, and compulsory licensing if the negotiations fail. At the outset, we emphasize AMOA's agreement with the comment of the Copyright Office staff that

> "there must be a unitary system with respect to juke box rights, since it would be unduly burdensome to all concerned if a juke box proprietor could avail himself of a compulsory license for works of U.S. origin but had to negotiate a license for foreign works."

As noted in AMOA's testimony during the hearing before you, AMOA also believes that a two-tier system would be unworkable because of the burdens it would place on the industry.

However, the proposal made by the Copyright Office staff will not entirely resolve the problems that would be inherent in U.S. adherence to Berne because of the conflict between Berne and the compulsory license provisions of the current U.S. law. Some copyright owners may not participate in the negotiations contemplated by the staff proposal or may not reach agreement on the license. If there is a failure to reach agreement, or if some copyright owners refuse to participate in the negotiations, then the staff's proposal would trigger a compulsory licensing provision. The question of whether the compulsory license provisions would be in accord with Berne in these circumstances still remains, however. Thus, under the staff proposal, there would still be some ambiguity with regard to the validity of compulsory license provisions in the U.S. law.

As we also noted in our testimony, it is very important to the jukebox industry that whatever action is taken by the United States on Berne, it be absolutely clear that the compulsory license mechanism in the U.S. Copyright law remain. Put another way, AMOA believes that the jukebox industry could live with a situation where there is an opportunity to negotiate the license royalty, but the compulsory license provisions take effect if those negotiations fail. The problem with the Copyright Office staff proposal is that it is not clear that such provisions would be viewed as compatible with Berne, raising the questions which were discussed during the hearings with regard to the effect of incompatibility on existing U.S. law.

However, putting to one side compatibility issues, the staff proposal for negotiated licenses coupled with a compulsory license if negotiations fail might prove workable.

You have also asked how Berne members handle jukebox licensing presently, whether their methods for dealing with jukeboxes are preferable to the Copyright Office's suggestion or to the *status quo*, and what the effect of the Berne approach has been on the jukebox industry in Berne countries. As an association composed of United States jukebox operators, we have no special knowledge or expertise that would permit us to answer the questions with regard to jukebox licensing in Berne countries, and our efforts to gather some information on this subject have not produced any substantial answers. For one thing, membership in Berne for many countries dates back many decades, thereby offering no meaningful analysis of the effect of membership vs. non-membership on the jukebox industry in those countries. Because membership for most of the West European countries dates back to 1887 (Belgium, France, Germany, Italy, United Kingdom) and, for Canada and Australia, 1928, there is no "pre-membership" experience to learn from. For the jukebox industry, in effect, these countries have always been members of Berne, and cannot offer a "before and after" lesson. Moreover, it is unclear to us what enforcement efforts are made in those countries as far as licensing and royalty payments are concerned.

AMOA finds itself in the position of not knowing what the impact of adherence will be. AMOA believes that the negotiations should look toward a license of at least 10 years duration.

Respectfully,

Mark N. Griffiths

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Senator MATHIAS. Based on the track record, Mr. Wolff, I take your testimony very seriously.

Mr. WOLFF. Thank you, Mr Chairman.

Senator MATHIAS. I have never seen such a legislative track record as the jukebox has. In the old days, Chairman Celler, of the House Judiciary Committee, would write a jukebox bill. The committee would report it favorably to the House of Representatives. The House Rules Committee would grant it a rule for debate and then it would just disappear. [Laughter.]

Year after year after year, no voice was raised, no hand was seen; the bill just disappeared. So any industry that can perform such miracles has to be taken seriously.

Mr Wolff. We hope we do not have to come back to haunt you, Senator. [Laughter.]

Senator MATHIAS. We are talking about not only the jukebox compulsory license, but the manufacturing clause, the notice of copyright, some of the aspects of registration requirement, the requirement for renewal of copyrights originating prior to 1976.

Do you have any views generally about this array of issues that will undoubtedly have to be confronted as we look at Berne?

Mr. STEINHILBER. We just received a copy of the U.S. Copyright Office document, and we think they handled the formality issues as a great compromise. While some may not like the two-tiered operation, we would support it.

We also like the manner in which they handled moral rights and retroactivity. So we would support them in all of those instances.

Senator MATHIAS. Mr. Merlis, we cut you short on moral rights. Do you want to say just a word on that subject?

Mr. MERLIS. We are somewhat suspicious of the moral rights concept, particularly with respect to works for hire. In our industry, cable programming service might commission an original work.

Despite contractual rights, we are concerned that should moral rights be asserted by the creator to prevent editing necessary to fit it either into a time slot or to meet with community standards, we might have a real problem in putting that work on. That is the issue we feel needs to be clearly understood before proceeding.

Senator MATHIAS. Did you want to say something, Mr. Olsson?

Mr. OLSSON. I was going to say I think, Mr. Chairman, most American lawyers and American companies are comfortable enough, although we may have a lot of disagreement with the kinds of decisions that we are getting from the courts of the United States.

Our main problem, I think, is a fear of the unknown. We do not know what the moral rights are, what they may turn out to be, and we conjure up horrible examples for ourselves, quite justifiably.

I think what we have got to do is to nail this thing down to the point where it is possible to do so, so that any court looking at a case that comes along will say, ah, it was quite clear that the U.S. Senate and the administration and all of the authorities have construed the Berne Convention as not to be self-executing and as not changing our moral rights law in any way, and all we have got to do is look to precedents as we have in the past and come up with these "no surprise" decisions.

To the extent you can nail it down, Senator, I think you have got to nail it down for us. Otherwise, there are fears in this area by every user of works.

Senator MATHIAS. Maybe I should have asked Ms. Risher this question, but what about cleaning up Shakespeare? Does Shakespeare have any moral right to be unexpurgated? I understand that at least some of the textbook publishers are now undertaking to clean up his works.

Mr. OLSSON. Profane hands should not touch some of these great works; no question about that.

Senator MATHIAS. You think that goes beyond the moral rights. [Laughter.]

Mr. OLSSON. The question, Mr. Chairman, is one of degree. If you take Verde and you make out of "Rigoletto" a comedy or something and you are not doing it for burlesque purposes, you are doing it, you know, to ruin "Rigoletto" and Verde, here almost anybody says, yes, the law ought not to permit that. That is almost sacrilegious.

However, if you take the King James version of the Bible and you make an American standard version out of it and you take the "thee's" and the "thou's," and so forth, and you put "you's" in their place, almost everybody, though he might object to the style and the form of it, would say that is a reasonable thing to do.

In the first instance in the American courts, if you are dealing with a work that is protected and something that is current, you have got to worry a little. In the second case, you do not have to worry, and we know this.

But when you take us to something like the Berne Convention that says "moral rights" and you do not know what it is and you have no precedent, you worry about it. Somehow or other, you have got to fix it so that there is some reasonable assurance that our judges will follow American precedents in this area, things with which we are familiar and with which we can live.

Senator MATHIAS. I sense on this panel some tolerance for at least a limited two-tier system. Am I right?

Mr. STEINHILBER. At least with me, yes, sir.

Mr. OLSSON. On nonserious things. [Laughter.]

We ought not to discriminate against American authors with regard to serious matters if we can avoid doing so.

Mr. WOLFF. So that the record is clear, Senator, not on behalf of AMOA. We find it an unworkable system.

Senator MATHIAS. Well, I am glad I asked that question.

Mr. Olsson raised the question of Canada, which is, again, a subject with which this committee has been occupied. We have our border State broadcasters who feel properly aggrieved.

However, that may be an argument against adhering to Berne because Canada is already a member of Berne. So it has not raised their standards to prevent this particular abuse.

Mr. OLSSON. Senator, with all respect, Canada is a member of Berne, but they are a member of a low-level 1928 version of Berne. Consequently, they are not bound by the higher-standard versions of today.

Anybody going in now has to go in at the high-standard present level. You cannot go in at one of the old lower levels. But if you got in in 1928 at the lower level, you can stay in at the lower level.

However, if we go persuading our Canadian neighbors, or trying to persuade them to raise their standards either to modern Berne standards or perhaps above that, because Berne is not perfect in every way, we are constantly faced with the reproach that we are freeloaders in Berne; that we do not even belong to a lower level Berne.

It is pretty impossible for us in the intellectual area to be persuasive. We have got to go and take the Canadian head and hammer it on the table or something.

Senator MATHIAS. And you think if we were a full-fledged member of an up-to-date, modern, high-powered Berne, we would be in a better position?

Mr. OLSSON. I think we would be far more persuasive to the Canadians, yes, sir. Our own history is not a proud one in the area of recognizing artistic rights and the rights of foreigners. I think we need to try to make up for it a little now.

Senator MATHIAS. Going back to education, which is a very large field in publishing and intellectual property, the fair use exemptions are important, are they not?

Mr. STEINHILBER. Absolutely; in fact, the only reason that we supported the last revision and the life plus 50 was that sections 107 and 108 were added to the law. Therefore, if there is any discussion of making any changes in those, I am afraid all of our membership would then come out in opposition to Berne.

Senator MATHIAS. Those are the exemptions for teaching?

Mr. STEINHILBER. That is correct.

Senator MATHIAS. And for individual research.

Mr. STEINHILBER. And, as I said, there is section 107, which is the fair-use doctrine. Then section 108 is the public library and their rights to use it in an interlibrary loan kind of operation. Section 110 is where we have the rights in face-to-face teaching to actually have performances in school.

Then, finally, we have the right to use audiovisual materials under section 110.

Senator MATHIAS. Are you familiar with the Berne approach to fair use?

Mr. STEINHILBER. We are familiar. We are somewhat concerned, and that is why I jumped to the self-executing question. There is enough, how will I say, ambiguity on fair-use dealing under Berne that I think the fair-use doctrine of the United States can be maintained.

However, if the self-executing issue is not resolved—and I understand it will be resolved by this committee, or at least an attempt will be made to resolve that—then we have some concerns because then what happens with respect to section 107? What happens to those ongoing relationships with the copyright owners?

We already have a whole set of guidelines. We have print guidelines which we have negotiated with copyright owners. We have music guidelines; we have off-the-air taping guidelines. So we have gone a long way to solving our internal issues with the industry.

Senator MATHIAS. Turning to Mr. Wolff again, we think of jukeboxes as a very American form of making music. But, in fact, it is not exclusively American. There are other countries where jukeboxes exist.

Are you aware of how Berne treats the jukebox situation in those countries?

Mr. WOLFF. I am afraid not in depth, Mr. Chairman. We have made some inquiries in the last couple of weeks to try to learn how licensing is handled in Berne countries. To our knowledge, there seems to be a form of blanket license, but it does not appear to have any sanction in the Berne Convention itself.

There are licenses for jukeboxes in foreign countries that are not negotiated on an individual basis, but I do not know the details.

Senator MATHIAS. But you have recently made an agreement with the performing rights societies, have you not?

Mr. WOLFF. Yes, sir.

Senator MATHIAS. And that is the result of voluntary negotiations?

Mr. WOLFF. Yes, sir, it is.

Senator MATHIAS. And that could be a precedent under Berne, could it not?

Mr. WOLFF. I suppose so, but that agreement is really based on the underlying compulsory licensing provisions of the Copyright Act, which has no analog in Berne.

Senator MATHIAS. You are saying that it was not entirely a voluntary negotiation?

Mr. WOLFF. Well, it was voluntary, but——

Senator MATHIAS. Voluntary, but the law provided an incentive.

Mr. WOLFF. It built on an existing statutory provision. Certainly, if there were no compulsory licensing provision and if there were an exemption for jukeboxes, which my clients would enjoy and prefer over the present system——

Senator MATHIAS. Which they did enjoy.

Mr. WOLFF. Yes, sir. We would not have to do that; we would not have had to negotiate an agreement. That does raise a question about the consistency of the Berne Convention treatment of jukeboxes on this issue; that is, if it is not in the Berne Convention but there is in effect some under-the-table compulsory licensing provision, that seems a rather puzzling way to deal with the question.

Listening this morning, it occurred to me to ask whether any consideration has been given to an attempt to have the Berne signatories revise the Berne Convention, to modernize it and update it, and perhaps in some respects align it closer to U.S. copyright law, to take some of the superior elements of U.S. copyright law and incorporate them into Berne, and put that Convention in a state where perhaps it would be more palatable to the various interests involved in U.S. copyright law.

Senator MATHIAS. Of course, if you made that a condition precedent, I think you would be looking at the tricentennial rather than the bicentennial. [Laughter.]

But your comment does lead me to a final question which I would like to pose to the whole panel. Obviously, technology is one of the driving forces in this whole consideration.

Tomorrow, we expect to receive here in the subcommittee a report which is being made at our request by the Office of Technology Assessment on this very subject. Mr. Wolff's comment about a modernized Berne does raise the question about how our adherence to Berne will affect our ability to respond to some new challenges to intellectual property rights that we may not be able to dream of at this moment.

What about the future under Berne? Does anybody want to take a crack at that?

Mr. WOLFF. I would be concerned if U.S. adherence to Berne would reduce the flexibility of U.S. law to change as technology and the times change and adapt to the needs of modern times.

The legislative process in this country and the court process, I think, does very nicely adapt to changes. It may lag from time to time, but by and large it keeps up with the times.

I would be concerned if the Berne Convention process is so cumbersome and slow that it was not capable of doing that.

Senator MATHIAS. I suppose in life there are always tradeoffs. There seems to be a rather general agreement among most witnesses here today that we would enjoy the benefits of the additional protections that might be available under Berne, and I suppose you pay a price of some sort for that.

Mr. Olsson.

Mr. OLSSON. Mr. Chairman, Berne is not exactly a straight jacket. There have been something like 10 revisions in 100 years. That is 1 every 10 years, and that compares rather favorably with the revisions that we have had of our copyright law generally.

Senator MATHIAS. That is just about the right rate of change for lawyers, is it not? [Laughter.]

Mr. OLSSON. Also, although Berne, when you look at it, appears to be pretty rigid, it has got many chambers in its house. The British are in it. Their view of moral rights is pretty much like ours and they have been comfortably ensconced in Berne since the beginning.

Arpad Bogsch, the World Intellectual Property Organization director, has assured us that in almost all particulars our present U.S. copyright law enables us to go into Berne without making changes, and that we can continue to enjoy our domestic law in Berne.

So there are a lot of things going which indicate that we really do not have to make any substantial changes in our law and that we can feel as though we are good citizens of Berne. Berne is more flexible than it appears to be.

Senator MATHIAS. Well, on that note, I suppose we had better ring the curtain down on this panel. We appreciate very much your being here and I wish we could keep this going, but we have one more panel to complete this morning.

The fourth panel: Mr. Garson Kanin, president of the Authors League of America, and Mr. Tad Crawford, counsel of the Graphic Artists Guild.

Mr. Kanin, do you want to begin?

STATEMENT OF A PANEL CONSISTING OF: GARSON KANIN, PRESIDENT, THE AUTHORS LEAGUE OF AMERICA, INC., NEW YORK, NY; AND TAD CRAWFORD, COUNSEL, GRAPHIC ARTISTS GUILD, NEW YORK, NY

Mr. KANIN. Thank you, sir. Mr. Chairman, my name is Garson Kanin. I am president of the Authors League of America, the national society of professional authors representing 14,000 American writers and dramatists.

We thank you for this opportunity to present the league's views. The Authors League believes that the United States should become a member of the Berne Convention. Indeed, we urge this subcommittee to recommend that the Senate ratify U.S. accession to the Berne Convention.

U.S. membership in Berne would give American authors greater security for the protection of their works abroad. Some Berne countries are not members of the Universal Copyright Convention.

U.S. entry into Berne would provide a valuable underpinning for protection of our rights. It would also stem a mounting resentment in several countries against our failure to give their authors the degree of protection Berne requires.

This country is a net exporter of books, plays, and films. It makes no sense for us to remain the only major copyright nation that stands aloof from the Berne Convention.

This isolation is not only bad business and bad politics; it is intellectually and morally indefensible in an era when copyrighted works are disseminated in international markets.

While satellites and other electronic marvels emphasize that copyright must be treated as an international system of law, the fact is that American authors have long known from practical experience that an insular approach to copyright is unwise.

Many illustrious members of the Authors League are truly international authors, dramatists, broadcasters and composers. They have large audiences for their works throughout Europe, South America, and in the Far East. I cite several examples in my statement to illustrate the importance of the international marketplace for ideas of American authors.

Two of the great American plays of our time are Tennessee Williams' "A Streetcar Named Desire" and Arthur Miller's "Death of a Salesman." Since their first production on Broadway in the late 1940's, they have been presented repeatedly throughout the world. Herman Wouk's works have been published abroad in 30 languages, in 31 countries. His 1951 Pulitzer Prize-winning "Caine Mutiny," originally published in 23 countries, is still in print in 16 countries. His World War II novels, "The Winds of War" and "War and Remembrance," are currently read in 16 languages, including Icelandic and Chinese; over 1 million copies have been sold in China—without benefit of royalty.

My own experience is similar. "Born Yesterday" and other of my plays have been produced in several countries. My novels and biographies have published in most English-speaking countries and translated and issued in many other countries.

Several of the films which I wrote in collaboration with my late wife, Ruth Gordon, including "Adam's Rib" and "Pat and Mike," which starred Spencer Tracy and Katharine Hepburn, have been exhibited in literally dozens of countries.

American authors, dramatists, composers, and artists are this country's most effective diplomats and ambassadors of culture and goodwill. Our works and music and films have done much to win friendship and understanding abroad for the United States and its citizens.

It is a great accomplishment achieved without spending hundreds of millions of U.S. dollars; indeed, one attained at a vast profit to the United States.

On behalf of the Authors League, I thank you, sir, for hearing this testimony, and I wholeheartedly urge that the subcommittee report favorably on the U.S. adherence to the Berne Convention and the legislation required to make that possible.

Thank you, sir.

[Mr. Kanin's submissions for the record follow:]

PREPARED STATEMENT OF GARSON KANIN

Mr. Chairman, my name is Garson Kanin, and I am President of The Authors League of America, the national society of professional authors, representing 14,000 American writers and dramatists. I would like to express the League's appreciation to you and the Subcommittee for giving it this opportunity to present its views on United States adherence to the Berne Copyright Convention. I will not read my prepared statement and I request that it be included in the record of these hearings.

The Authors League believes that the United States should become a member of the Berne Convention; indeed, that its accession to Berne is long overdue. On behalf of our 14,000 members, the League urges the Subcommittee to recommend that the Senate ratify U.S. accession to the Berne Convention and enact those changes in the U.S. Copyright Act which are necessary to permit the United States to become a member of the Convention.

I am a playwright, a film writer, an author of books, and a director of plays and films, but not an attorney, and therefore I I will not discuss the legal questions involved in implementing our entry into the Berne Convention. I would, however, like to tell you why authors, dramatists, composers and film writers believe it is essential for the United States to join the major nations of the international copyright community who have long been members of the Convention.

U.S membership in Berne would give American authors -- and I mean all creators of literary, dramatic, musical and artistic works -- greater security for the protection of their works abroad. While some countries are now committed to give U.S. authors a substantial degree of protection by virtue of their (and our) membership in the Universal Copyright Convention, other Berne countries are not members of the UCC. United States entry into Berne would provide a valuable underpinning for protection of our rights in those jurisdictions. It also would stem a mounting resentment in several countries against our failure to give their authors the degree of protection Berne requires. That resentment may well lead to retaliatory measures that will harm U.S. authors, publishers, film producers, broadcasters, and the tens of thousands of individuals who are employed by the industries that manufacture and distribute the works of American creators throughout the world. This country is very much a net exporter of books, plays, films, etc. and it makes no sense for us to remain the only major copyright nation that stands aloof from the preeminent convention that shapes international protection for literary, dramatic, musical and artistic property.

That isolation is not only bad business and bad politics, it is intellectually and morally indefensible in an era when copyrighted works are disseminated in international markets and by international media. While satellites and other electronic marvels emphasize that copyright must be treated as an international system of law, the fact is that American authors have long known, from practical experience, that an insular approach to copyright makes no sense. Our novels, plays, textbooks, music, films and graphic works have been published, performed, exhibited and broadcast in all of the Berne nations for decades. Adequate protection under their laws is essential to safeguard the integrity of our works, and to assure that copyright owners are not deprived of income by unauthorized uses; income which flows not only to creators, but also to U.S. producers, publishers, record companies, etc. and their employees.

Many illustrious members of the Authors League are truly international authors, dramatists and composers. They have large audiences for their works throughout Europe, on both sides of the Iron Curtain, in South America and in the Far East. I would like to cite a few examples to illustrate the importance of the international marketplace of ideas to American authors. Two of the great American plays of our time are Tennessee Williams' "A Streetcar Named Desire" and Arthur Miller's "Death of a Salesman." Since their first productions on Broadway in the late 1940's, they have been presented repeatedly throughout the world. From 1980 to the present, "Streetcar" has been produced in Spain, South Africa, Hungary, Argentina, Germany, Mexico, Japan, Brazil, Venezuela and Holland; and "Death of a Salesman has been produced in Ireland, Great Britain, Japan, France, South Africa, Hungary, Hong Kong, Iceland, New South Wales, Canada, Holland, Argentina and Poland.

"Nickel Mountain", by one our most talented novelists, the late John Gardner, was published in Great Britain, South Africa, Canada, Australia, Sweden, France, Germany, Italy, Spain, Holland, Turkey, Hungary, Norway, Denmark, Brazil, Israel and Czecholsovakia. And "The Kennedys" by Peter Collier and David Horowitz, was published in France, Germany, Spain, the United Kingdom, Australia, Canada, Sweden, Denmark and Norway.

My own experience is similar. "Born Yesterday" and other of my plays have been produced in several countries. My novels and biographies have been published in most English speaking countries, and translated and issued in many other countries. And several of the films I wrote, including "Adam's Rib" and "Pat and Mike", which starred Katharine Hepburn and Spencer Tracy, have been exhibited in dozens of countries.

It is obvious that the 14,000 author, dramatist and and composer members of the Authors League, are very much concerned that the United States join Berne to assure the fullest degree of protection for our works in its member-countries.

But aside from our economic and individual concerns, it is very much in this country's interest to preserve the stability of the international copyright system , which depends substantially on the Berne Convention. American authors, dramatists, composers and artists are this country's most effective diplomats and ambassadors of culture and good will. Their words and music and films have done much to win friendship and understanding abroad for the United States and its citizens. It is a great accomplishment achieved without spending hundreds of millions of U.S. dollars; indeed one attained at a vast profit to the United States.

On behalf of the Authors League, I thank you for hearing my testimony, and I wholeheartedly urge that the Subcommittee report favorably on United States adherence to the Berne Convention and the legislation required to make that possible.

QUESTIONS BY SENATOR MATHIAS FOR MR. KANIN

1. The Ad Hoc Working Group identified the renewal and durational provisions as incompatible with Berne. The Copyright Office suggested amending the law so that authors of works first published in a Berne nation would be exempt from the formality of mandatory registration for renewal purposes. Implementing this proposal would discriminate against American authors; on the other hand, only a narrow class of authors would be affected. Do you consider such discrimination to be tolerable, or if not, avoidable?

2. Experts are divided on whether U.S. law on registration of copyright is incompatible with Berne. Assuming the Ad Hoc Group's assessment of incompatibility is correct, two options are available: (1) require registration for enforcement of copyright non-Berne works; or (2) replace mandatory registration with procedural and remedial benefits that would encourage registration. Other Berne countries, such as Canada, India and Mexico, presently use permissive registration as evidence of copyright validity. Which option would you prefer?

ANSWERS BY GARSON KANIN TO THE FOREGOING QUESTIONS

1. I believe this discrimination would be tolerable.

2. I oppose the first option (mandatory registration). I believe registration with procedural benefits would be sufficient. I do not think it is fair to authors to require registration as a condition for remedial benefits.

Senator **MATHIAS**. Thank you very much, Mr. Kanin.

Mr. Crawford.

STATEMENT OF TAD CRAWFORD

Mr. **CRAWFORD**. Mr. Chairman, my name is Tad Crawford. I am submitting this statement on behalf of the Graphic Artists Guild, the American Society of Magazine Photographers, and the Society of Illustrators.

These organizations are appreciative of this opportunity to testify in support of adherence by the United States to the Berne Convention. The membership of these organizations is composed of more than 10,000 of the most highly talented professionals in the field of visual communications.

These members include illustrators, photographers, graphic designers, cartoonists, textile designers, and others who earn their livelihood by the creation of visual imagery. The work of these image makers surrounds us as an essential part of our daily culture.

Book jackets, magazine covers, advertisements, packaging for products and textile designs only begin the enumeration of how the images created by our members are disseminated.

Images know no national boundaries; they speak to all people. They are a valuable commodity for export, a unique commodity, because each creator has a personal style which connects that creator to his or her work even after it has been published.

Nor is the value of an image ended by its first publication. It is common for images to be used again and again.

To promote the progress of science and the useful arts by copyright is at least as important today as it was 200 years ago. Our cultural diversity is enhanced by rewarding the artistic efforts of creators.

We are blessed with a community of visual creators unrivaled in the world. With the enhanced protection offered by the Berne Convention, this national resource should engender an ever-increasing flow of payments to the United States.

For our members, this increase will be a part of earning a sometimes precarious livelihood.

For the visual artist, the new technologies raise troubling questions at the same time that they open exciting possibilities. For example, computer storage and transformation of images vastly increases the possible reuse of images, whether as reproductions or derivative works. Such image banks reinforce the importance of the copyright vesting in the author, who then transfers limited rights.

If foreign nationals are free to use the new technologies without observing the high standards set by the Berne Convention, our loss will be substantial.

Certain changes in our copyright law will be necessary if the United States is to comply with the standards of the Berne Convention. Our organizations certainly support these necessary changes and will submit supplementary testimony with respect to the Copyright Office's discussion bill and commentary.

The creative challenge facing us is to be a full partner in a viable international copyright community. As we near the 21st century, we anticipate a society based far more on the exchange of information.

The free exchange of ideas and the realization of the fullest cultural diversity depend on a reliable, universally recognized copyright union. This union must offer the strongest possible protection of authorship, while being administered in a fair and unbiased manner. It must make the new technology an enhancement for copyright proprietors rather than a source of piracy.

For all of these reasons, we support adherence by the United States to the Berne Convention.

Thank you very much, Mr. Chairman.

[Mr. Crawford's submissions for the record follow:]

PREPARED STATEMENT OF TAD CRAWFORD

SUMMARY

Summary of statement by Tad Crawford on behalf of the Graphic Artists Guild, the American Society of Magazine Photographers, and the Society of Illustrators

The images of these organizations' members - illustrators, photographers, graphic designers, cartoonists, textile designers, and other creators - surround us in our daily culture.

These images can pass across national boundaries more easily than currency. Resale of these images for reproduction and the creation of derivative works occurs frequently.

Artists need the economic rewards and incentives which the Berne Convention will help create. By rewarding artists, we will enhance our own culture.

The new technology increases both the risks and rewards for copyright creators. Systems such as computer "image banks" make adherence to the Berne Convention all the more important.

We support the changes in the Copyright Law which may be necessary for the United States to join the Berne Convention.

* * *

My name is Tad Crawford. I am submitting this statement on behalf of the Graphic Artists Guild, the American Society of Magazine Photographers, and the Society of Illustrators. These organization are appreciative of this opportunity to testify in support of adherence by the United States to the Berne Convention.

The membership of these organizations is composed of more than 10,000 of the most highly talented professionals in the field of visual communications. These members include illustrators, photographers, graphic designers, cartoonists, textile designers and others who earn their livelihood by the creation of visual imagery. The work of these image makers surrounds us as an essential part of our daily culture. Book jackets, magazine covers, advertisements, packaging for products, and textile designs only begin the enumeration of how the images created by our members are disseminated.

My own background as an attorney includes teaching "Law and the Visual Artist" at the School of Visual Arts in New York City, authoring the book _Legal Guide for the Visual Artist_, and drafting state legislation on behalf of visual artists such as the Artists' Authorship Rights Law enacted by New York State in 1983. I would also like to thank Professor Leonard D. DuBoff for his assistance in preparing these remarks. Professor DuBoff moderated the Symposium, "Out of UNESCO and into Berne: Has United States Participation in the Berne Convention for International Copyright Protection Become Essential?", which we wish to incorporate by reference into the hearing record.* In that supplementary statement we will also discuss the Copyright Office's Draft Discussion Bill and Commentary which had not been made available to us at the time of drafting this statement.

Images as an International Currency

Images know no national boundaries. They speak to all people. They are a valuable commodity for export, a unique commodity because each creator has a personal style which connects that creator to his or her work even after it has been published.

Nor is the value of an image ended by its first publication. It is common for images to be used again and again. A photograph appearing in a magazine may later be reused as part of an advertisement or on the jacket of a novel. In fact, stock houses

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*See _Cardozo Arts and Entertainment Law Journal_, Volume 4, Number 2, pages 203-232 (1985).

- which are libraries of photographic images - exist for the purpose of selling worldwide the reuse rights in images.

Images can also be transformed, creating what the copyright law terms derivative works. These derived works offer another opportunity to enhance the reuse market at home and abroad for images.

It is of the utmost importance that this imagery, which can be circulated from country to country with greater ease than currency itself, be protected. The initial image, any reproductions of that image, and any derivative images must all be accorded the fullest international copyright protection.

The Pecuniary Benefit

"To promote the Progress of Science and useful Arts..." by copyright is at least as important today as it was two hundred years ago. Our cultural diversity is enhanced by rewarding the artistic efforts of creators. In the public's mind, the image of the successful creative professional may be that of a star. However, the truth is that the vast majority of working artists barely make a living and that the most successful seldom reap the rewards expected for comparable achievement in other industries.

We are blessed with a community of visual creators unrivalled in the world. With the enhanced protection offered by the Berne Convention, this national resource should engender an ever increasing flow of payments to the United States. For our members, this increase will be a part of earning a sometimes precarious livelihood. To protect our cultural life and our creators, we must seek the greatest worldwide copyright protection.

The New Technology

For the visual artist, the new technologies raise troubling questions at the same time that they open exciting possibilities. For example, computer storage and transformation of images vastly increases the possible reuse of images, whether as reproductions or derivative works. Such "image banks" reinforce the importance of the copyright vesting in the author who then transfers limited rights. And, for the author who transfers only limited rights, such computer systems may provide a significant source of residual income.

However, this example assumes that the proprietors of such image banks are operating within the constraints of a copyright system. If foreign nationals are free to use the new technologies without observing the high standards set by the Berne Convention, our loss will be substantial.

Changes in United States Copyright Law

Certain changes in our copyright law will be necessary if the United States is to comply with the standards of the Berne Convention. Visual artists would certainly be affected, since the areas of possible change cover notice, registration, the public broadcasting compulsory license, and moral rights. While it might technically be possible to make changes only with respect to works of foreign origin, it is hardly desirable for our copyright system to treat foreign works more favorably than works originating in the United States. Insofar as changes may be necessary, therefore, our organizations would certainly support them for all works.

Copyright notice has never served the visual arts community. Failure to comply with notice requirements means the creator runs the risk of losing his or her copyright, despite the saving provisions contained in 17 U.S.C. Section 405. And works without copyright notice may be copyright protected because of the operation of Section 405. It would be far better to educate users of copyrighted materials that copyright notice is no longer necessary for copyright protection than to punish creators for failing to use the copyright symbol.

Registration of a copyright and recordation of a copyright transfer as a prerequisite to commencing a copyright suit are not features of the United States law which we believe need to be retained. In fact, relatively few works of visual art are registered with the Copyright Office and it is almost impossible to search for a work of art because of this. Since the system of penalties for failure to register has not worked, we believe these penalties should be ended. A truly voluntary registration system would be an alternative worthy of further study.

A coalition of visual artists organizations has opposed the compulsory licensing of published pictorial, graphic, and sculptural works by the public broadcasting system since 1978. Extensive testimony before the Copyright Royalty Tribunal has shown that this license is rarely used and that hardly any payments have ever been made to copyright proprietors. The Tribunal itself has recommended that the compulsory license for such pictorial, graphic, and sculptural works be ended. We would support such an amendment to Section 118.

Moral rights for visual artists have always been supported by the visual artists organizations. In the last century we have become one of the art-rich nations of the world. Innovative state legislation in California, Massachussetts, and New York has sought to protect the reputation of the creative artist and preserve art of cultural significance. From a technical perspective, the conclusion of the Ad Hoc Working Group that "the protection of moral rights in the United States is compatible with the Berne Convention," would appear to be correct. However, I believe that after adhering to the Berne Convention we would be well-advised to study adopting an explicit codification of moral rights in our copyright law.

The Creative Challenge

The creative challenge facing us is to be a full partner in a viable international copyright community. As we near the twenty-first century, we anticipate a society based far more on the exchange of information. The free exchange of ideas and the realization of the fullest cultural diversity depend on a reliable, universally recognized copyright union. This union must offer the strongest possible protection of authorship while being administered in a fair and unbiased manner. It must make the new technology an enhancement for copyright proprietors rather than a source of piracy. For all of these reasons, we support adherence by the United States to the Berne Convention.

SUPPLEMENTARY STATEMENT BY TAD CRAWFORD ON BEHALF OF THE GRAPHIC ARTISTS GUILD, THE AMERICAN SOCIETY OF MAGAZINE PHOTOGRAPHERS, AND THE SOCIETY OF ILLUSTRATORS IN SUPPORT OF ADHERENCE BY THE UNITED STATES TO THE BERNE CONVENTION

Supplementary statement by Tad Crawford on behalf of the Graphic Artists Guild, the American Society of Magazine Photographers, and the Society of Illustrators in support of adherence by the United States to the Berne Convention.

This supplementary testimony will focus on certain issues raised at the April 15, 1986 hearing, including issues raised by the Draft Discussion Bill and Commentary of the Copyright Office.

1. Moral rights. The Copyright Office agrees with the conclusion of the Ad Hoc Working Group that, "the protection of moral rights in the United States is compatible with the Berne Convention." Our organizations also support that position.

Nonetheless, artists' organizations have long supported explicit moral rights for American artists. It would be misleading if the record did not reflect that strong desire and the sense of urgency that movement be made toward the enactment of federal legislation.

To meet minimal requirements to join the Berne Convention does not do justice to either the artists of our nation or our artistic heritage. The nation which leads the world in art should aspire to give the fullest protection to artists and to art. Rights long recognized in France, Italy and other art-rich nations have at best a questionable recognition in the United States today.

California, Massachussetts and New York have enacted state legislation to protect the moral rights of artists and to guard the art itself. While the urgency of this issue has not escaped these states, only a federal solution can provide the uniformity and certainty which would benefit all concerned. Using state statutes and foreign decisions, it should be possible to draft a lwa with clear guidelines as to what is protected.

2. Notice of copyright. We certainly support the proposal of the Copyright Office to eliminate the requirement of notice for works originating in a Berne Convention country other than the United States.

However, the record should reflect that for visual artists it would be far preferable to end the notice requirement for all works, including those of United States origin. The visual arts are truly a stepchild of the copyright law. The concept of publication does not easily apply to works of visual art. Many artists are unaware of the notice requirements. If some works will lack copyright notice and yet be protected (as is now the case due to 17 U.S.C. Section 405), the presence or absence of notice will not be a guide to the public as to the copyright status of a work. All in all, it makes little sense to place the copyright in jeopardy because of a failure to comply with the notice formality.

3. Registration. It would be objectionable to create a voluntary registration system with penalties for the failure to register. Very few artists register their works. The eligibility for attorney's fees and statutory damages, while theoretically an incentive for the visual artist to register, is in practice a penalty levied on the vast majority of artists who do not register. When the Copyright Office speaks of "further enhancements," I suspect that the result in practice may be further penalties for our visual creators.

4. Compulsory licensing. The Copyright Office does not discuss the possible need to eliminate the compulsory license for pictorial, graphic, and sculptural works found in 17 U.S.C. Section 118. The Ad Hoc Working Committee states that, "The question as regards reproduction rights is not so clear-cut." Since the compulsory license for pictorial, graphic, and sculptural works has failed so utterly that the Copyright Royalty Tribunal itself has recommended that it be ended, it is an appropriate subject to be dealt with legislatively at this time.

WRITTEN QUESTIONS BY SENATOR MATHIAS FOR MR. CRAWFORD

1. Experts are divided on whether U.S. law onregistration of copyright is incompatible with Berne. Assuming the Ad Hoc Group's assessment of incompatibility is correct, two options are available: (1) require registration for enforcement of copyright non-Berne works; or (2) replace mandatory registration with procedural and remedial benefits that would encourage registration. Other Berne countries, such as Canada, India and Mexico, presently use permissive registration as evidence of copyright validity. Which option would you prefer?

2. You note that the requirement of a copyright notice, which is a formality forbidden by Berne, could be dealt with in two ways. The requirement could be retained for U.S. works, and dropped for those originating in Berne countries, thus creating a two-tier system. Or, madatory notice could be eliminated altogether. You prefer the latter approach. Why? What about the practical consideration that a two-tier system would be less of a change from the status quo, and therefore might be more practical to attain?

3. Does notice serve any useful function? What about the Copyright Office's suggestion that, even if notice is not mandatory, we ought to retain incentives that encourage the use of a copyright notice?

RESPONSES OF TAD CRAWFORD TO WRITTEN QUESTIONS SUBMITTED BY SENATOR MATHIAS

Tad Crawford ATTORNEY-AT-LAW
10 EAST 23RD STREET, NEW YORK, N.Y. 10010 (212) 777-[illegible]

June 5, 1986

Senator Charles Mc C. Mathias, Jr.
Chairman, Subcommittee on Patents, Copyrights and Trademarks
Committee on the Judiciary
United States Senate
Washington, D.C. 20510

Dear Senator Mathias:

Thank you for your letter of May 21, 1986 with respect to questions regarding adherence by the United States to the Berne Convention. Our answers are as follows:

1. We would prefer that mandatory registration be ended for all works. Moreover, we believe that "procedural and remedial benefits that would encourage registration" are simply disguised penalties for the many creators who are either unaware of or unable to afford to register their body of work. In particular, we do not believe registration prior to an infringement should be a requirement for elibility for statutory damages and attorney's fees.

2. We favor dropping the copyright notice requirement for all works because it introduces a "game-playing" aspect into the copyright system. Why should a creator's right to be rewarded depend on whether a formality is observed? Those who know the rules of the game - such as potential infringers - should hardly benefit from the unfamiliarity of many creators with the copyright law. Of course, if a two-tier system is more practical to obtain, that is a factor in its favor.

3. We feel that notice no longer serves a useful function. It would be far better if all creative work simply had copyright protection. Eduction of the public as to the rights of copyright creators would replace any need for notice. By this reasoning, there would be no purpose in having incentives to encourage the use of notice.

Sincerely yours,

Tad Crawford
Counsel for the American
Society of Magazine Photographers,
the Graphic Artists Guild,
and the Society of Illustrators

Senator MATHIAS. Thank you, Mr. Crawford.

Mr. Kanin, you referred to your own works, to their publication and production around the world. Would you be concerned if the United States fails once again to adhere to the Berne Convention?

Mr. KANIN. Oh, dear me, yes is the answer. This matter is constantly discussed whenever authors and dramatists meet, the difficulty of having full protection of our copyrights internationally.

As we all know, writing is not a solid profession. Especially now, for reasons which are beyond me, the business of writing plays and films and novels and short stories has become less and less lucrative.

So the international market is increasingly important to writers, who sometimes gain recognition abroad before they gain it in the United States. That is where the sticky question of copyright frequently occurs.

Senator MATHIAS. Are you concerned by any evidence of antagonism or resentment against the U.S. treatment of other nationals?

Mr. KANIN. Yes, Senator. I hear it in private discussions with some of my colleagues in France and England and Spain. They do not express it officially, but one feels an undercurrent of resentment, because we are the only important country in the world that is not a member of Berne.

Senator MATHIAS. But you detect some resentment against the U.S. position?

Mr. KANIN. Indeed, sir; I do.

Senator MATHIAS. As we have said several times this morning, technology, including the computer, has transformed the whole world of intellectual property. It has transformed the way that many graphic artists make and market their productions, their creations.

In your judgment, would adherence to Berne improve the ability of copyright to respond to these challenges that are posed by advances in technology?

Mr. KANIN. It would seem so, sir. I have never touched a computer in my life, nor do I intend to. [Laughter.]

What was good enough for Charles Dickens is good enough for me. [Laughter]

Still, I think it does pose a growing problem. The ease with which one can copy and publish work, because of modern technology to which you refer, makes the problem greater and greater as the years go by.

Senator MATHIAS. Mr. Crawford, would you have a comment on that?

Mr. CRAWFORD. Yes. In the visual arts field, in particular, the ability which already exists and which will come to exist in the near future, to have what are essentially libraries of images which can be put together in various combinations, will be either a very important source of residual income to the creators of those images or will be a source of great piracy.

So it seems to me that for all of the reasons that Berne offers enhanced protection, it becomes even more important in view of the new technology that we proceed to get that enhanced protection for our visual creators.

Mr. KANIN. I think, Mr. Chairman, that it might be wise to point out that most playwrights—there are a few exceptions, but most playwrights live on one or two plays for their lifetime.

If they are lucky enough to get one big success, perhaps two, that represents a basis of their livelihood for 20, 30, or 40 years. For that reason, the protection of that copyright becomes increasingly important.

Senator MATHIAS. Well, that, of course, reflects to some degree Emerson's comment that if you have not carved your initials on the door frame of success by the time you are 35, you probably never will.

Mr. KANIN. I think that is a rather pessimistic view, sir. [Laughter.]

Senator MATHIAS. Well, it is not mine; it is Emerson's. [Laughter.]

Mr. KANIN. I am not a chicken, as they used to say, but I feel that my best work lies before me.

Senator MATHIAS. Let me go back to Mr. Crawford on a slightly different point, because I understand that he has joined the Kernochan school of thought on closing your eyes, holding your nose and jumping.

You say that after adhering to the Berne Convention, we would be well advised to study adopting an explicit codification of moral rights in the copyright law. Now, does that mean you agree with the conclusion of the ad hoc working group that no change in the law on the moral rights issue would be required to comply with Berne?

Mr. CRAWFORD. Yes, Mr. Chairman. We have said in our full statement that we agree with the ad hoc working group that no change would be required as a prerequisite to join the Berne Convention.

We have also made the point that we believe the higher standards of the Berne Convention will be an enhancement to authorship, and that there should be a study of what explicit guidelines in the area of moral rights might possibly be enacted into the law of the United States, particularly in view of its adherence to the Berne Convention.

Senator MATHIAS. And then presumably the graphic artists would be willing to fight the moral rights battle some other time.

Mr. CRAWFORD. It seems to me that it should not be a prerequisite to getting international protection for all of the creators and disseminators of intellectual property.

Senator MATHIAS. Referring again to Professor Kernochan's statement, he said that changing the law is risky business, and he cautioned that artists and their supporters should undertake the project only after they are well organized and pointed in the right direction.

Is this a subject that has been discussed by graphic artists over the years?

Mr. CRAWFORD. Yes, Mr. Chairman, this has been discussed in great detail over the years, and frequently. As you know, the States of California, New York, and Massachusetts now have moral rights statutes.

We believe, and have always believed, that moral rights legislation should be added to the U.S. copyright law. We believe it would serve the interest of the creator, and we believe that such a statute could be made explicit enough that it would not do a disservice to the user of copyrighted materials.

At the same time, as I said before, I do not believe that adherence to the Berne Convention has to be or should be held up because of the issue of moral rights.

Senator MATHIAS. But Berne itself has been the subject of discussion among graphic artists?

Mr. CRAWFORD. Mainly the issue of the moral rights provision of Berne, and also the general enhancement that would flow from that kind of international protection.

Senator MATHIAS. The reason I press you on this a little bit is because we ought to hear more from creators of copyrighted works. Creators of copyrighted works are very often individualists. Being creative individuals, they do not always tend to be organized.

In fact, in the case of composers, the law does not permit them to be organized, at least for purposes of collective bargaining. So I think it is important that as we seek the collective views of this important group that they be as knowledgeable and as well organized as possible.

Coming back to Mr. Kanin and to the question we started out with, I think you make a very interesting point that the international market is more important than ever to American authors. It is an interesting question.

I would like to know more about it, why it has assumed a relatively more important position. But we will accept your statement on that subject for the moment.

Mr. KANIN. Thank you, sir.

Senator MATHIAS. I hope it is not because the American market is shrinking, but simply because the international market is growing.

Mr. KANIN. I believe that is a correct position, sir. The public is well aware of the fact that Broadway, as such, is a shrinking institution.

But to balance the shrinkage, we now have a burgeoning regional theater, perhaps 700 or 800 regularly producing theaters in the United States. In addition to that, it seems that at least in the present era the work of American playwrights and film writers is of greater interest to the European and the Oriental community than it ever has been in the past. We seem to be the leaders in that field.

Senator MATHIAS. We discussed a minute ago the feelings of foreign authors about the protection they get and their sense of resentment because we do not adhere to Berne.

But even without Berne, you are published worldwide; many other American authors are published worldwide. What improvement in the position of American authors would you foresee after we had adhered to Berne?

Mr. KANIN. Well, I regret that I would have to seem a bit crass in my reply, but a great deal of it has to do with economics.

Senator MATHIAS. You remember Dr. Samuel Johnson?

Mr. KANIN. Very well. He was a friend of mine. [Laughter.]

Senator MATHIAS. Then you will remember that he said only a blockhead would write except for money.

Mr. KANIN. I don't agree with him. [Laughter.]

More and more, the American playwright and film writer is in the vanguard of film production. Alas, British film production has virtually shrunk to almost nothing, but British film artists work on American films.

I think that for better or worse, we have become leaders in that field. And so far as the publication of American novels and short stories and plays and even poetry abroad, there does begin to be a serious question, if we are not completely in a state of copyright brotherhood, that the economics become rather murky as well. How do you deal with piracy? How do you deal with simply pure stealing of plays and of short stories and novels unless you have copyright agreements?

Senator MATHIAS. Let me ask you just one further question, and that is on this question of moral rights. You are a working author. Have you ever had your works tampered with in a way that you think violated your rights?

Mr. KANIN. I have, and severe beatings have followed.

Senator MATHIAS. Who got beaten? [Laughter.]

Mr. KANIN. Publishers, producers, and the like.

To begin with, as member of the Dramatists Guild of America, we have an ironclad contract which does not permit tampering by producers or directors or stars. We, as the playwrights, maintain full control of the work which we have created.

However, when you turn to the film industry, the condition is quite different. Once the movie company has bought your story or your script and paid you good, legal tender in return, they have the right to do just about anything they want with it, and there is no way of getting around that because you are in commerce.

If I sell a story or a screenplay to a film company, they have the right to change it if they do not like it and I have no legal rights at all.

Senator MATHIAS. Of course, under the law of many countries, the author has the legal right—not the contractual right as you have described it, but the legal right to decide in what form his work will be published.

Our current law does not recognize moral rights to that degree, but the ad hoc working committee maintains that the law already recognizes the major elements of the moral rights of authors, and therefore that is not a problem with adherence to Berne.

Do you have any view on that?

Mr. KANIN. Well, yes. It depends entirely, sir, on the so-called clout of the author or of the novelist or of the short story writer. A young novelist submitting his first novel to an important publishing house is pretty much at the mercy of the editors, who can change it or advise him to change it, with the final step being if he does not, they will not publish the book. Established authors are in a slightly better position.

Senator MATHIAS. It is their economic strength and not their legal strength.

Mr. KANIN. Quite so, sir. I remember a case of John Steinbeck being edited by a young editor at Random House, who pointed out to Mr. Steinbeck that he had used a word in his manuscript that literally did not exist.

He said, "Mr. Steinbeck, I have looked in seven dictionaries and that word simply does not exist in the English language." And Steinbeck said, "well, don't worry; if the book is a hit, it will." [Laughter.]

Senator MATHIAS. Turning just for a moment to Mr. Crawford, you suggest that the mandatory notice for copyrights could be eliminated, is that correct?

Mr. CRAWFORD. That is correct, Mr. Chairman.

Senator MATHIAS. Do you think notice serves any useful function? Do you think the Copyright Office has a valid point when it suggests that there might be some incentives which would encourage the use of a copyright notice?

Mr. CRAWFORD. I think that I should say that we would support a two-tiered approach. On the other hand, visual creators are a group of individualists, as you have said before, who often do not know and do not comply with the notice requirements and therefore are penalized for that.

When one speaks of incentives, I wonder whether the other side of the word incentive is not penalty. I think that would be something that we would want to be very careful about as we moved forward.

But, yes, a voluntary system of copyright notice, with some incentive that was not a penalty to parties not using the notice, would seem to me to be a viable solution.

Senator MATHIAS. I think that is an interesting gloss to put on that question, and we thank you both for being here with us. Again, I wish we had an opportunity to continue this dialog, but it is impossible to do it now.

However, we have a device which makes it possible to extend our communication just a little further. There may be some questions which will occur to the subcommittee and, in particular, to some of the members who were unable to be here.

We will, therefore, if that is the case, propound those questions in writing to the witnesses, and would hope that you would give us your responses in writing; they will be made part of the record.

If the witnesses have any second thoughts—I know myself that my best lines always occur to me as I drive home—we will be glad to receive any further statements that you want to make and to include them in the record.

For that reason, we will hold the record open for 30 days for responses to written questions from members of the subcommittee and for other submissions.

I would urge the witnesses to think about the draft implementing legislation prepared by the Copyright Office and, on that subject in particular, to let us have any further comments within the 30-day period.

Mr. KANIN. Thank you, Senator.

Senator MATHIAS. We thank you very much for being here. It is extremely helpful, and we hope we can advance this cause a little bit as a result of today's activities. Thank you all.

Mr KANIN. Thank you, Senator.

Senator **Mathias**. The subcommittee will stand in recess, subject to the call of the Chair.

[Whereupon, at 12:08 p.m., the subcommittee was adjourned.]

APPENDIX

Final Report of the Ad Hoc Working Group on U.S. Adherence to the Berne Convention

FOREWORD

This is a final report on the compatibility of basic provisions of the United States copyright and other relevant law with the Berne Copyright Convention. It was prepared by the Ad Hoc Working Group on U.S. Adherence to the Berne Convention ("The Ad Hoc Working Group").

This foreword discusses the formation and membership of the Group, its procedures (including those for completing its Final Report), the method for evaluating compatibility, and the fundamental distinction between "works of foreign origin" and "works of U.S. origin," which is central to evaluating the compatibility of the various provisions considered in this Report.

1. Background

On the eve of the 100th Anniversary of the Berne Copyright Convention (September 9, 1886), there is renewed interest in the United States accession to the Convention. In May of 1985, the Senate Judiciary Committee's Subcommittee on Patents, Copyrights and Trademarks, chaired by Senator Charles McC. Mathias, heard testimony from several witnesses on the implications of U.S. adherence to Berne.

Donald C. Curran, Associate Librarian of Congress and then Acting Register of Copyrights; Barbara Ringer, former Register of Copyrights; Arpad Bogsch, Director-General of the World Intellectual Property Organization ("WIPO"), which administers the Convention; Elinor Constable, Acting Assistant Secretary of State, Bureau of Economic and Business Affairs; Donald J. Quigg, Commissioner of Patents and Trademarks; and C. Michael Hathaway, Deputy General Counsel, Office of the United States Trade Representative, all supported U.S. adherence to the Berne Convention.

2. The Ad Hoc Working Group

Consideration of U.S. adherence to Berne involves a fundamental copyright issue: are the provisions of United States law compatible with the provisions of the 1971 Paris Act of the Berne Convention?[1] This is the Berne text to which the U.S. would accede if the President and Senate took the necessary action to make this country a member of the Convention. Article 36(2) of the Convention requires a country to "be in a position under its domestic law to give effect to the provisions of" the Convention at the time when it becomes a new member.

At the request of the State Department, several individuals who have had long experience in the copyright field joined together as an "Ad Hoc Working Group" to identify those basic provisions of U.S. law relevant to U.S. adherence to the Berne Convention, and to analyze their compatibility with Berne. The issue addressed by the Group is: does the U.S. Copyright Act,[2] other Federal and State statutes, and common law provide protection of the nature required by the Convention for works originating in other Berne member-countries?

The Ad Hoc Group's purpose was to prepare a Report on this technical issue that might assist the Congress (including the Senate and House Judiciary Committees and the Copyright Office) and the Executive Branch, in their consideration of United States adherence to Berne.

The Ad Hoc Working Group, as such, does not take any position on the basic policy question of whether the United States should join Berne. Some members believe it should, and some represent organizations which may support adherence. But the sole focus of the Ad Hoc Group's work, and this Report, is on whether relevant provisions of U.S. law are compatible with the Berne Convention. The Group does not make any recommendations for revisions of U.S. law that might be required to eliminate incompatibilities which may exist.

3. Membership of the Ad Hoc Working Group

These are the members of the Ad Hoc Working Group. They served as individuals; the names of various organizations they represent or are affiliated with are given solely for identification and do not imply endorsement by those organizations of the Final Report:

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[1] Unless otherwise noted, all references in this Report to the "Berne Convention" and the Articles thereof refer to the 1971 Paris Act, which is the most recent text of the Convention.

[2] Unless otherwise noted, all references in this Report to the "U.S. Copyright Act" refer to the Copyright Act of 1976, as amended, 17 U.S.C. §§ 101-810 (1982).

Irwin Karp, Chairman [Authors League of America]

Norman Alterman [Motion Picture Export Association of America, Inc.]

Jon A. Baumgarten [Association of American Publishers]

Leonard Feist [National Music Publishers Association, Inc.]

Morton David Goldberg [Information Industry Association]

Bella Linden [The Songwriters Guild]

I. Fred Koenigsberg [American Society of Composers, Authors & Publishers]

William Maxwell [Computer & Business Equipment Manufacturers Association]

Gary Roth [Broadcast Music, Inc.]

Hamish R. Sandison [Recording Industry Association of America]

Augustus W. Steinhilber [National School Boards Association]

Robert Wedgeworth [American Library Association]

EX OFFICIO:

Harvey J. Winter, Executive Secretary [Department of State]

Donald C. Curran [Former Acting Register of Copyrights]

Lewis Flacks [Copyright Office]

Michael S. Keplinger [Office of Legislation and International Affairs, U.S. Patent and Trademark Office]

4. Method of Procedure

At its initial meeting, the Ad Hoc Working Group decided on the fourteen basic subjects that should be studied. These are listed in the table of contents of this Report. Members of the Group drafted study papers on each subject, and these were reviewed and revised by the Group. These papers, constituting the chapters of this Report, are presented as the joint work of the Group and represent a general consensus, but this does not imply unanimous agreement of the Group on any particular point.

The Preliminary Report was distributed to individuals and organizations interested in copyright matters and the question of U.S. adherence to Berne, and they were invited to submit their comments in writing. These comments are printed in the Appendix. Also included in the Appendix is the Copyright Office's submission of April 15, 1986 to the Senate Judiciary Subcommittee on Patents, Copyrights and Trademarks entitled "Implementing Legislation to Permit U.S. Adherence to the Berne Convention: A Draft Discussion Bill and Commentary." The Ad Hoc Working Group has reviewed all these written comments and has made such revisions in the Final Report as it deemed necessary.

5. "Compatibility" and Works of U.S. Origin

The Report's conclusion that certain provisions of U.S. law are incompatible with Berne applies only to *works of foreign origin*. The Berne Convention does not require that a member country grant the protection required by the Convention's text to works of which that country is "the country of origin."

Article 5 of the Berne Convention provides:

> (1) Authors shall enjoy, in respect of works for which they are protected under this Convention, in countries of the Union *other than the country of origin*, the rights which their respective laws do now or may hereafter grant to their nationals, as well as the rights specially granted by this Convention. (emphasis added)
>
> . . . .
>
> (3) Protection in the country of origin is governed by domestic law. However, when the author is not a national of the country of origin of the work for which he is protected under this Convention, he shall enjoy in that country the same rights as national authors."

The question of incompatibility, therefore, is really a question of whether a given provision of U.S. law is incompatible with Berne's requirements when that U.S. provision is applied to works of foreign origin. For example, section 601 of the U.S. Copyright Act limits the right of authors to import or distribute in the United States copies, manufactured outside the U.S. or Canada, of a work that consists preponderantly of nondramatic literary material in English. Berne provisions do not permit that limitation. But section 601 is not incompatible with Berne when it is applied to works of U.S. origin.

From the U.S. perspective, provisions of U.S. law would have to be compatible with Berne when applied to:

(a) works first published in another Berne country, alone or simultaneously with publication in any other country (except the U.S.), Berne or non-Berne;

(b) works first published simultaneously in the U.S. and another Berne country which gave a shorter period of protection; or

(c) works first published in a non-Berne country without a simultaneous Berne-country publication, if the author is a national of any Berne country other than the U.S.;

(d) unpublished works by nationals of other Berne countries.

Under Article 5(4) of Berne, these are works of which the U.S. is not the country of origin.

On the other hand, provisions of U.S. law need not be compatible with Berne when applied to the following categories of works since, under Article 5(4), the U.S. would be their "country of origin":

(i) works first published in the U.S.;

(ii) works first published simultaneously in the U.S. and another Berne country which gave a longer period of protection;[3]

(iii) works first published simultaneously in the U.S. and a non-Berne country;

(iv) works by U.S. nationals first published in a non-Berne country without simultaneous publication in any Berne country;

(v) unpublished works whose authors are U.S. nationals;

(vi) cinematographic works whose makers have their headquarters or a habitual residence here and that are unpublished, or are first published in a non-Berne country without simultaneous publication in any Berne country.

In addition, provisions of U.S. law would not have to be compatible with Berne when applied to works whose country of origin was not a Berne member.

6. Determination of Compatibility

The President and Congress determine whether U.S. Copyright law, other statutes and common law are compatible with Berne, and what changes, if any, are required to provide compatibility, i.e., protection of a nature that satisfies the requirements of Berne with respect to works of foreign origin.

If the President, with the advice and consent of the Senate, signs the necessary instrument of United States accession to the Berne Convention and it is deposited with the Director General of WIPO, this country would become a party to the Convention and a member of the Union three months after the Director General notifies other Berne members of the deposit (unless a later date is indicated in the instrument).[4]

As regards the deposit of the instrument of United States accession to the Berne Convention, the Ad Hoc Working Group has especially noted the following paragraph in the President's note of June 18, 1986 to the Senate:

> As indicated in the report of the Department of State, implementation of the Convention will require legislation. Until this legislation is

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[3] The Convention is ambiguous with respect to the country of origin of a work which is simultaneously published in two Berne countries that give the same term of protection.

[4] See Berne Convention Art. 29.

> enacted, the United States instrument of accession will not be deposited with the Director General of the World Intellectual Property Organization.

The Director General, Arpad Bogsch, advised the Ad Hoc Working Group that the International Bureau which administers Berne[5] has no procedure for reviewing the instrument of accession filed by a prospective member to determine whether its laws are compatible with Berne, and that no instrument of accession has ever been rejected on the grounds of incompatibility.

Any complaint by another member country that U.S. law is not compatible with Berne probably would have to be settled under Article 33(1), which provides that disputes between members concerning interpretation or application of the Convention shall be brought before the Court of International Justice. However, Article 33(2) provides that when a country deposits its instrument of accession to Berne, it may declare that it does not consider itself bound by the provisions of Article 33(1) which then would not apply to it.

7. Conclusion

With publication of its Final Report, the Ad Hoc Working Group has completed its work, and will dissolve. The members of the Working Group wish to express their deep gratitude to Harvey J. Winter for his invaluable administrative assistance, and even more, for his tireless efforts on behalf of international protection for intellectual and artistic works, in the fields of copyright, patent, and trademark. He has made a significant contribution to the development of international law in these areas.

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[5] Berne Convention Art. 24.

Chapter I
Cable Compulsory License

A. Issue

Is the cable compulsory license provision of the U.S. Copyright Act, 17 U.S.C. section 111, compatible with the Berne Convention?

B. Conclusion

The cable compulsory license is compatible with the Berne Convention.

C. Relevant Provisions of the Berne Convention

The Berne Convention requires that the author enjoy exclusive rights over public performances by cable. Article 11*bis*(1)(ii) states:

> (1) Authors of literary and artistic works shall enjoy the exclusive right of authorizing: . . .
> (ii) any communication to the public by wire or by rebroadcasting of the broadcast of the work, when this communication is made by an organization other than the original one.

However, the Berne Convention also allows such rights to be exercised in the absence of voluntary agreement, under a system of compulsory licensing as long as the author has the right to "equitable remuneration," which "shall be fixed by competent authority," there is no extraterritorial application, and moral rights are not jeopardized. Article 11*bis*(2) states:

> (2) It shall be a matter for legislation in the countries of the Union to determine the conditions under which the rights mentioned in the preceding paragraph may be exercised, but those conditions shall apply only in the countries where they have been prescribed. They shall not under any circumstances be prejudicial to the moral rights of the author, nor to his right to obtain equitable remuneration which, in the absence of agreement, shall be fixed by competent authority.

D. Relevant Provisions of U.S. Law

The U.S. Copyright Act contains a compulsory license which allows cable operators to retransmit over-the-air broadcasts to their subscribers.[1] Cable operators pay a fee, based on the number of distant broadcast signals carried, which was initially established by statute, and subsequently adjusted by the Copyright Royalty Tribunal. The adjustments made were of two sorts: (1) to maintain the real dollar level of compulsory license fee payments; and (2) in certain circumstances, to adjust the fees to "reasonable" levels.

E. Discussion

The cable compulsory license appears to fall within the provisions of Article 11*bis*(2). The compulsory license fees have been deemed "equitable" by "competent authority"—Congress and the Copyright Royalty Tribunal. It might be argued that the Article does not apply because there is no provision for voluntary agreement in the statute. In fact, however, such agreement is possible regarding the rate adjustments. And, in any event, such a reading strains the reasonable inference from the Article which allows such compulsory licensing. It might be argued that the cable compulsory license is incompatible with Article 11*bis*(2) because it does not prescribe remuneration for the retransmission of local, as opposed to distant, broadcast signals. Such a view has been strenuously urged by some.[2] However, the fact is that all cable systems—whether they carry distant signals or not—pay some compulsory license fees, pursuant to 17 U.S.C. section 111. (Some claim that such payment is irrelevant because, under 17 U.S.C. section 111, such fees are distributed only to those copyright owners whose works were carried on non-network distant signal retransmissions.) And, the proponents of the cable compulsory license argue in response, under the American system of broadcasting, local cable carriage increases audience, which is the basis for remuneration of copyright owners.

The other requirements of Article 11*bis*(2) seem to be met: there is no extraterritorial application of the compulsory license, and moral rights are not jeopardized.

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[1] 17 U.S.C. § 111 (1982).

[2] See "Distribution of Programs by Cable," Copyright—Monthly Review of the World Intellectual Property Organization, April 1984, 139 (P 13), 146 (P 56).

Chapter II
Exemptions to the Rights of Public Performance and Display

A. Issue

Are the exemptions to exclusive rights of public performance and display in section 110 of the U.S. Copyright Act compatible with the Berne Convention?

B. Conclusions

1. The exemptions to the right of public display are compatible with the Berne Convention.

2. The exemptions to the exclusive rights of public performance in section 110 of the U.S. Copyright Act are substantially compatible with the Berne Convention, particularly in light of the laws of Berne States interpreting these obligations. Minor questions of compatibility exist with respect to section 110(2) and (9).

C. Relevant Provisions of the Berne Convention

Article 10(2) of the Berne Convention provides:

> It shall be a matter for legislation in the countries of the Union and for special agreements existing or to be concluded between them, to permit the utilization, to the extent justified by the purpose, of literary or artistic works by way of illustration in publications, broadcasts or sound or visual recordings for teaching, provided such utilization is compatible with fair practice.

Article 10(3) provides:

> Where use is made of works in accordance with the preceding paragraphs of this Article, mention shall be made of the source and the name of the author if it appears thereon.

Article 11(1) provides:

> Authors of dramatic, dramatico-musical and musical works shall enjoy the exclusive right of authorizing:
> (i) the public performance of their works including such public performance by any means or process;
> (ii) any communication to the public of the performance of their works.

Article 11*bis*(1) provides:

> Authors of literary and artistic works shall enjoy the exclusive right of authorizing:
> (i) the broadcasting of their works or the communication thereof to the public by any other means of wireless diffusion or signs, sounds or images;
> (ii) any communication to the public by wire or rebroadcasting of the broadcast of the work, when this communication is made by an organization other than the original one;
> (iii) the public communication by loudspeaker or any other analogous instrument transmitting, by signs, sounds, or images, the broadcast of the work.

Article 11*ter* provides:

> Authors of literary works shall enjoy the exclusive right of authorizing:
> (i) the public recitation of their works, including such public recitation by any means or process;
> (ii) any communication to the public of the recitation of their works.

D. Relevant Provisions of U.S. Law

Section 110 of the U.S. Copyright Act creates specific, limited exemptions to the exclusive rights of public performance and display under section 106. These exemptions relate to the following:

1) face-to-face teaching activities;
2) instructional broadcasting;
3) religious services;
4) non-profit, live performances;
5) public reception of broadcasts;
6) agricultural fairs;
7) performances in the course of retail record sales;
8) transmissions to handicapped audiences; and
9) performances by veterans and fraternal groups.

E. Discussion

1. *Exclusive Right of Public Display*

The exclusive right of public display of works created by section 106(5) of the U.S. Copyright Act is not a right stipulated in the Berne Convention. Consequently, the exceptions under section 110 are compatible with Berne.[1]

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[1] This is not, however, to say that because a minimum right is not stipulated in the Berne Convention, such states party to the Convention are free to ignore other provisions of the Convention when a right is provided for at the national level. Thus, the rule of national

Articles 11, 11*bis* and 11*ter* concerning public performance rights do not expressly deal with exemptions to such rights.[2] Nonetheless, it is clear that the nations which adhered to the texts of Berne never intended the performance, broadcasting and recitation rights of Articles 11-11*ter* to be absolutely exclusive. Indeed, until the Brussels Act (1948), public performance rights were not fully established in the Convention on an exclusive basis.[3]

Resistance to the recognition of exclusive public performance rights was based in part upon the desire of many states to maintain free of potential copyright controls "cases of gratuitous performances given by popular societies, military bands, students and the like."[4] The present situation under Berne is a unique product of the Union's commitment to recognition of exclusive public performance rights and the preservation of well-established exceptions. This was achieved at the Brussels Conference and confirmed at the Stockholm Conference in 1967. At these Conferences, declarations were made expressing the understanding of the states of the Union to this effect:

> It is in relation to [Article 11] that the question of the *"minor reservations."* arises. These cover such things as religious ceremonies and performances by military bands at public fetes. It was agreed . . . that these exceptions [which apply also to Articles 11*bis*, 11*ter*, 13 and 14] were valid. At Stockholm (1967) it was again agreed that the Convention did not stop member countries from preserving their law on exceptions which come under this heading of "minor reservations."[5]

Apart from the examples given, what additional meaning may be given to the phrase "minor reservations"?

The programme for revision of the Berne Convention presented to the Brussels Conference by the Berne Bureau and the Belgian government noted, in respect to exclusive public performance rights:

> Let us suppose now that this right is adopted unconditionally: the re-

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treatment in Art. 5(1) of the Convention must be applied, even with respect to rights which do not form convention minima. World Intellectual Property Organization, Guide to the Berne Convention for the Protection of Literary and Artistic Works (Paris Act 1971) 103 (1978) [hereinafter cited as WIPO Guide].

2. Art. 10(2) concerning the use of works in teaching contexts has applicability to public performances in schools. However, apart from this limited provision, Arts. 11-11*ter* are not qualified by a provision similar to Art. 9(2) of the Convention which concerns the right to reproduction.

3. The WIPO Guide notes that Art. 11 was revised at Rome, Brussels and Stockholm, but does not mention that exclusivity was achieved in recognizing the right only at Brussels. WIPO Guide, supra note 1, at 64; 1 S. Ladas, The International Protection of Literary and Artistic Property 404-05 (1938), discusses the situation prior to the Rome Conference.

4. Ladas, supra note 3, at 396.

5. WIPO Guide, supra note 1, at 65 (emphasis added).

> sult would be that no Contracting State would have the right to make the least restriction in it. It would be impractical to expect to obtain such a result. The great majority of Union countries enumerate a more or less considerable number of cases in which the representation or performance of a protected work is free . . . . Here are some examples of performances declared free by a large number of national laws: musical performances which are part of religious services, concerts given by military bands, charity concerts, public concerts organized for certain occasions. It is not possible to enumerate specifically in the Convention all these special cases: they are too varied. Many of them are based upon old local customs which the countries concerned would not wish to give up. One cannot, therefore, contemplate the suppression of these exceptions.[6]

The Report of the Brussels Conference noted:

> [Y]our reporter was asked to point out specifically the possibility of what are generally termed 'small reservations' on the part of national legislatures. The delegates of Norway, Sweden, Denmark, Finland, Switzerland and Hungary have asked that limited exemptions be made for religious ceremonies, military fanfares and for works which are essential for schools and the promotion of general culture. You will appreciate that these points are simply noted here and do not in any way weaken the principle of the right.[7]

The Report of the Stockholm Conference in 1967 affirmed that the Convention as modified did not alter the agreement reached at Brussels: states of the Union were not precluded from "maintaining in their national legislation provisions based upon the declaration contained in the General Report of the Brussels Conference."[8]

Thus, no state which has exceptions to performing rights such as those discussed in the Brussels and Stockholm Reports appears to have ratified the Brussels, Stockholm or Paris Acts of Berne with an express reservation of "minor performing rights exceptions." The term "reservations" is not used here in a technical sense; it imports instead an understanding that derogations from the literal language of Articles 11, 11*bis*, 11*ter*, 13 and 14 can be made in relatively minor instances without giving rise to a violation of the Convention.[9]

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[6] Proposed Revisions and Commentary Thereon Prepared by the Belgian Government and the Bureau of the Union, Prelim. Docs., Pt. 1, 2d Ed., revised, January, 1947, at 76 [hereinafter cited as Proposed Revisions].

[7] General Report on the Work of the Diplomatic Conference for the Revision of the Berne Convention, presented by Marcel Plaisant (C.O. Translation, September, 1948), at 13.

[8] Report on the Work of Main Committee I, ¶ 210, in Records of the Intellectual Property Conference of Stockholm 1131, 1166 (1967).

[9] The term "minor" should be interpreted on the basis of the established practices of members of the Convention and the ordinary meaning of the work itself in context.

2. *The Specific Exemptions of Section 110 of the U.S. Copyright Act*

a. *Section 110(1): Educational Exemption in Face-to-Face Teaching*

The applicability of the minor reservations understanding to educational uses is clearly established. The comments of the Rapporteur-General of the Brussels Conference made express reference to educational uses as one of the kinds of uses coming within the understanding. There is no evidence that the subsequent addition to the Convention of Article 10(2) represents a superseding agreement on the permissible free use of works in educational contexts.

Either Article 10(2) or the minor reservations understanding may serve to bring section 110(1) within the framework of Berne's public performance rights obligations. Section 110(1) is limited to face-to-face teaching activities; the performance must be executed by pupils or the instructors; and, the institution in which this takes place must itself be non-profit. Although section 110(1) does not contain limitations such as those found in Article 10(2), namely that the utilization be only "to the extent justified by the purpose" and that it be "compatible with fair practice," it may be argued that the conditions of section 110(1) tend strongly toward enforcing such limitations in practice. For example, the restrictions on who may perform, on locale and the nature of the institution do tend to assure that exempt classroom performances are used with pedagogical justification. And, while "fair practice" is not defined in the Berne Convention, there is some indication that the meaning duplicates the provisions of Article 9(2) of the Convention.[10]

The questions of compatibility between section 110(1) and Article 10(2) arising out of the specific limitations of the Article could be resolved by reference to the laws of Berne states. A number of Berne countries have educational exemptions applicable to face-to-face teaching situations, without the protective limitations of Article 10(2). Article 20 of the Danish copyright law permits the public performance of works other than films or dramas "for educational purposes"; Sweden's law is to the same effect. Article 21(1) of Hungarian copyright law permits performances of published works at "school celebrations or for other school purposes."[11]

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[10] For example, the WIPO Glossary of Terms of the Law of Copyright and Neighboring Rights (1980) defines "fair practice" with reference to key elements in the text of Art. 9(2) of the Berne Convention: absence of a conflict with a normal exploitation of the work and not unreasonably prejudicial to the legitimate interests of the author.

[11] All citations to national copyright legislation are to UNESCO Copyright Laws and Treaties of the World (1983) [hereinafter cited as CLTW].

The various conditions limiting the exercise and the scope of the section 110(1) exemption are calculated to confine exempt performances to student-teacher interactions whose commercial significance is arguably minimal. In the absence of an express prohibition derived from the text of the Convention itself, the declarations including educational uses under the minor reservations understanding should reasonably extend to section 110(1).

b. *Section 110(2): Instructional Transmissions*

Section 110(2) deals with instructional television transmissions. Article 11*bis* of the Convention establishes the exclusive right of the author to authorize "the broadcasting of their works or the communication thereof to the public." According to the *WIPO Guide*, "there must be a public element to the operation. The meaning of broadcasting is found in the Radio-communications Regulations; it is a matter of transmissions intended to be received directly by the general public."[12]

Professor Nimmer concluded that the "minor reservations" understanding could sustain a limited instructional television performance exemption as compatible with the Berne Convention.[13] In this respect, it is interesting to note that educational or other instructional broadcasting exemptions are to be found in the laws of a number of Berne Union states.[14] However, the provisions of these exemptions strongly suggest that they rest upon an acceptance of Article 11*bis* (by assuring compensation in accordance with Article 11*bis*(2)), *or* Article 10(2) (by applying the limitations on use appearing in that Article).

Article 10(2) clearly applies to the use of protected works in the course of instructional transmissions and the various limitations of section 110(2) may be said to comport with the requirements of that Article. If a clear conflict may be said to exist at all, it probably arises out of the failure of section 110(2) to provide the crediting by the user called for in Article 10(3).

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[12] WIPO Guide, supra note 1, at 67.

[13] Nimmer, The United States Copyright Law and the Berne Convention: The Implications of the Prospective Revision of Each, 2 Copyright 94, 112 (Apr. 1966); 1 Ladas, supra note 3, at 400.

[14] Japanese copyright law has an elaborate exemption concerning performances of works in the course of transmissions for school purposes. While Art. 34(1) of that country's law dispenses with the requirement of prior authorization, it calls for payment of "a reasonable amount of compensation." Austria's copyright law allows literary works to be used, including in broadcasts for schools, "to the extent justified by the purpose." Canada's copyright law, in § 17(3) contains a fairly broad educational exemption for the performance of musical works. Japan's exemption points to compliance with Art. 11*bis*(2) as the norm; Austria's toward Art. 10(2) of the Convention. USA and Canadian law point nowhere in particular.

c. *Section 110(3): Performances of Non-dramatic Literary and Musical Works in the Course of Religious Services*

This exemption falls squarely within the express language of the Brussels and Stockholm Conference declarations on minor reservations and is one of the most widely adopted of public performance exemptions in the laws of Berne Union countries.[15] Indeed, the scope of section 110(3) is narrower than many Berne country provisions covering the same sorts of activities.[16]

d. *Section 110(4): Non-profit and Charitable Performances*

Although the Berne Convention does not provide for any sort of non-profit limitation to any of the minimum exclusive rights, the minor reservations understanding has long underpinned a series of exemptions in the laws of Union members which relate to charitable and other non-profit performances of a variety of works.[17]

Austrian copyright law is closest in structure to section 110(4). Section 50(1) of the Austrian copyright law permits public delivery of a published work where there is no admission charge and the delivery is not for profit; *or* "receipts are destined exclusively for charitable purposes" and the participants do not receive compensation for the delivery. Public performances of musical works is free under Article 53(3) of Austrian copyright law where the performance is not for any commercial purpose or the receipts are "destined exclusively for charitable purposes."

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[15] For example, § 53(2) of the Copyright Statute of Austria; Art. 17c, Copyright Statute of the Netherlands; § 17(3), Copyright Statute of Canada; § 20(a), Copyright Statute of Denmark; § 20, Copyright Statute of Sweden; Art. 52(I)2 Copyright Statute of the Federal Republic of Germany, all reprinted in CLTW, supra note 11.

[16] Section 110(3) extends only to non-dramatic or musical works, whereas, for example, Art. 52(I)2 of the German copyright law exempts performances of "work[s]" generally at religious services. Section 110(3) exempts certain performances "in the course of services" while German law includes religious "celebration[s]" as well as more formal services. Certain laws limit religious exemptions to musical works (e.g., Austria and Canada) while others extend the exemption to all works, except for films or dramatic works (e.g., Sweden, Denmark).

[17] Art. 52(I)1 of the Federal Republic of Germany's copyright law permits the public communication of a work so long as it is done without "gainful purpose" and no admission charges are levied and no payment is made to the performers. Art. 21(2) of the Hungarian copyright law permits the performance of published works "on the occasion of mass meetings (festive processions, etc.)" so long as it does not directly or indirectly "increas[e] receipts" and, so long as performers are not paid. Art. 38(1) of Japan's copyright law permits the free performance of published works (including in transmissions) where there is no profit motive, no admission fees and no payment to performers. Canadian law, in the ubiquitous Art. 17(3) overlaps many of the areas covered by U.S. § 110(4). Arts. 20(c) and (d) of Danish copyright law exempts the public performance of works other than films and dramas where the performance of the works in question are "not the main feature of an event conducted for other than commercial purposes" or are "in aid of charity." Section 20 of the Swedish copyright law is to the same effect.

e. *Section 110(5): Public Reception of Broadcasts*

The House Report accompanying the copyright revision bill suggests that section 110(5) is a most minor reservation:

> The basic rationale of this clause is that the secondary use of the transmission by turning on an ordinary receiver in public is so remote and minimal that no further liability should be imposed. In the vast majority of these cases no royalties are collected today and the exemption should be made explicit in the statute. This clause has nothing to do with cable television systems and the exemption would be denied in any case where the audience is charged directly to see or hear the transmission.[18]

Article 11*bis*(1)(iii) of the Convention establishes the exclusive right of the author to authorize the "public communication by loudspeaker or any other analogous instrument transmitting by signs, sounds, or images, the broadcast of the work." The *WIPO Guide* observes:

> Finally, the third case dealt with in this paragraph is that in which the work which has been broadcast is publicly communicated e.g. by loudspeaker or otherwise, to the public. The case is becoming more common. In places where people gather (cafes, restaurants, tearooms, hotels, large shops, trains, aircraft, etc.) the practice is growing of providing broadcast programmes . . . . The question is whether the license given by the author to the broadcasting station covers, in addition, all the use made of the broadcast, which may or may not be for commercial ends.
>
> The Convention's answer is "no".[19]

While it is of interest that Article 38(2) of Japanese copyright law is closely analogous to section 110(5), the history of the relevant article of the Convention itself is adequate to establish the acceptability of section 110(5) with the Convention text.

The question of communicating a broadcast to the public through loudspeakers in public places occupied much attention in the programme for revision of the Berne Convention at Brussels. The Berne Bureau and the Belgian government were rather firmly of the opinion that the use of a loudspeaker in a public place to communicate the contents of a broadcast constituted a new use of a broadcast to reach a new public; that is, a public other than the diffuse one using lower-amplification home receivers.[20] The programme went so far as to propose that the provisions of Article 11*bis*(2), under which governments were authorized to regulate the conditions for exercise of the broadcasting right *not* be extended to loudspeaker communications.[21]

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[18] H.R. Rep. No. 1476, 94th Cong., 2d Sess. 86 (1976).

[19] WIPO Guide, supra note 1, at 68.

The programme of the Brussels Conference suggests that the principal concern of the drafters—and of the Conference itself—was with the *loud*speaker as opposed to the simpler home receiver.[22] It may be that the provisions of the Berne Convention assuring to the author the exclusive right to communicate to the public broadcasts of his or her work via loudspeakers implies the use of a technology qualitatively different from the ordinary home receiver. In such a light, section 110(5) would be compatible with the requirements of Article 11*bis*. The exemption does not extend to the use of "loudspeakers" or any sort of speaker arrangement which has the characteristics of a commercial sound system. This interpretation of section 110(5) has been confirmed in recent litigation.[23]

f. *Section 110(6): Performances at Annual Horticultural or Agricultural Fairs*

This exemption also appears to be an appropriate subject for a minor reservation. Only one Berne member expressly exempts the performance of music at agricultural (or agricultural-industrial) fairs or expositions.[24] Nonetheless, the activities covered under section 110(6), with its limitations, would probably be exempted under more commonly encountered provisions of Berne Union copyright laws which are similar to section 110(4).[25]

g. *Section 110(7): Performances in Vending Establishments*

Two states party to the Berne Convention have provisions in their copyright laws closely analogous to section 110(7). Article 56(I) of the copyright law of the Federal Republic of Germany exempts the public communication of visual or audio recordings by businesses which sell or repair equipment for the performance of such works, insofar as the performances are necessary "to exhibit such equipment or devices to the public or for the repair thereof." Austrian copyright law reaches the same result.[26]

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[20] Proposed Revisions, supra note 6, at 86.

[21] Id. at 87.

[22] Id. at 84.

[23] Sailor Music v. The Gap Stores, Inc., 516 F. Supp. 923 (S.D.N.Y.), aff'd, 668 F.2d 84 (2d Cir. 1981), cert. denied, 456 U.S. 945 (1982); BMI v. United States Shoe Corp., 211 U.S.P.Q. (BNA) 43 (C.D. Cal. 1980), aff'd, 678 F.2d 816 (9th Cir. 1982).

[24] Copyright Statute of Canada § 17(2)(g).

[25] The history of § 110(6) suggests that it evolved out of the more general exception in § 110(4). U.S. Copyright Office, Supplementary Report of the Register of Copyrights on Copyright Law Revision: 1965 Bill, 38-40. Nimmer notes the occasional overlapping of § 110(4) with other activities exempted in § 110. 2 M. Nimmer, Nimmer on Copyright, § 8.15(E) n.77.

h. *Section 110(8) and (9): Performance Exemptions for Handicapped Audiences*

Only a handful of countries have provisions in their copyright laws relating to the use of works for the benefit of the handicapped. All but one deal principally with the making of reproductions of published works into a format accessible to users who have one or more handicaps which prevent the enjoyment of such works in the formats of conventional mass publication. Most Berne and U.C.C. states deal with the licensing of works for use by the handicapped through voluntary arrangements. The U.S. is the only country which has enacted an exemption permitting the limited use of literary works in broadcasting for the benefit of the handicapped.

Model provisions developed within the secretariats for the Berne and Universal Conventions to deal with facilitating access by the handicapped to works protected by copyright appear to assume that free use of works for broadcasting in radio-reading services for the visually handicapped is permissible. The question is whether the minor reservations understanding, which does extend to Article 11*bis* obligations, is sufficient to include the exemptions in sections 110(8) and (9).[27]

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[26] According to Dr. Robert Dittrich, the distinguished copyright specialist with the Austrian Ministry of Justice,

> use within commercial establishments, the objectives of which comprise the production or distribution of videograms or phonograms or the manufacture or distribution of broadcasting equipment is always permissible insofar as it is necessary in order to properly serve their customers.

R. Dittrich, Copyright in Austria, in S. Stewart, International Copyright and Neighbouring Rights 322 (1983).

[27] Report of the Working Group on Access to Works Protected By Copyright By the Visually and Auditory Handicapped, Unesco House, 25-27 October, 1982, UNESCO/WIPO/WGH/1/3, 3 January 1983; Application of the Berne Convention and the Universal Copyright Convention to Material Intended for the Blind, Doc. IG C/IV/15, 5 Nov. 1981 for the Fourth Session of the Intergovernmental Committee of the UCC, 30 November-7 December, 1981 and, in particular, Annex I, "Analysis of Comments of States on a Study by the World Council for the Welfare of the Blind on the Application of the Berne Convention and the Universal Convention to Material Specially Intended for the Blind."

Certain factors weigh in favor of these exemptions as properly coming within the minor reservations understanding. Section 110(9), in particular, limits the exposure of a dramatic literary work to only one performance, limits the works which may be used to those at least 10 years old as of the date of the performance and requires that the transmission be over special, non-broadcast, facilities. Section 110(8) draws short of authorizing dramatizations of non-dramatic literary works and the facilities through which the programs may be transmitted to handicapped audiences are also limited—though not as extensively as is the case in section 110(9). Both subsections require that the performances must be without direct or indirect commercial advantage, thereby cutting out performances with gainful intent.

This may be an area of the law in which the U.S. would wish to assert expressly its interpretation of the minor reservations understanding as a part of the legislative history of implementing legislation. Given the highly restricted area in which these exemptions operate, such a position is not unreasonable and may command considerable support within the Berne Union.

i. *Section 110(10): Non-profit Performances by Fraternal or Veterans' Organizations*

Although arguably less protective of authors' rights than the basic performance exemption in favor of charitable functions, this new exemption does not clearly exceed the limitations imposed in similar provisions of the copyright laws of Berne Union countries. Only Canada appears to have a public performance exemption specifically benefitting "fraternal organizations" and it is limited to performances of musical works.

Chapter III
Jukebox License

A. Issue

Is the jukebox license in section 116 of the U.S. Copyright Act compatible with the Berne Convention?

B. Conclusions

We conclude that:

(1) with respect to musical works of foreign origin, the jukebox license under the current U.S. statute is probably incompatible with the Convention insofar as it permits the public performance of such works without the consent of the owners of copyright therein;

(2) with respect to musical works of U.S. origin, however, the statute is compatible.

C. Relevant Provisions of the Berne Convention

Article 11(1) of the Berne Convention provides that:

> Authors of dramatic, dramatico-musical and musical works shall enjoy the exclusive right of authorizing:
> (i) the public performance of their works, including such public performance by any means or process;
> (ii) any communication to the public of the performance of their works.

D. Relevant Provisions of U.S. Law

The jukebox license in section 116 of the U.S. Copyright Act is one of four compulsory licenses in the current U.S. statute,[1] and it allows a jukebox operator to perform recorded musical works in public without the consent of the copyright owners upon compliance with the terms and conditions specified under the law.[2] The royalty rate, initially set forth in the statute, is subject to periodic adjustment by the Copyright Royalty Tribunal.[3]

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[1] The other three licenses are considered elsewhere in this Report. See Chapter 1, Compulsory Cable License; Chapter 5, Mechanical License; Chapter 8, Public Broadcasting License.

[2] Copyright Act of 1976, 17 U.S.C. § 116 (1982).

[3] See 17 U.S.C. § 804.

E. Discussion

Article 11(1) of the Berne Convention calls for copyright owners to enjoy the exclusive right of authorizing public performances of their musical works. The reference in Article 11(1)(i) to public performance "by any means or process," is a reference to public performance by means of recordings.[4] Thus, there is no question that performances of recordings on a jukebox in a public place are public performances of the underlying musical works within the meaning of this Article.[5]

On its face, the jukebox license in section 116 of the U.S. law deprives copyright owners of the exclusive right of authorizing public performances of their musical works on a jukebox. The only issue, therefore, is whether this compulsory jukebox license represents a permissible exception to the public performance right mandated by the Berne Convention. We believe that section 116 is probably not a permissible exception, at least insofar as it applies to works of foreign origin.[6]

Unlike other provisions of the Convention,[7] the public performance right in Article 11(1) does not expressly sanction compulsory licensing. Thus, the existence of expressly-approved compulsory licenses elsewhere in the Convention makes it difficult to infer the existence of an implied compulsory license in Article 11(1). As William Wallace has noted, "[t]his article does not contain any provisions similar to that of Article 11*bis*(2) [authorizing compulsory licensing of the broadcasting right], and it must be therefore assumed that no exception to the exclusive right is allowed."[8]

It is true that the 1967 Stockholm Conference confirmed that member countries should be allowed to preserve in their national legislation so-called "minor reservations" to Articles 11 and 11*bis*, among others, even though this possibility is not expressly acknowledged in the present text of the Convention.[9] Nevertheless, the Conference made clear that the concept of "minor reservations" was intended to refer to exceptions such as "religious ceremonies, performances by military bands and the requirements of education and popularization";[10] there is no indication that it was meant to extend to a system of compulsory licensing. Indeed, if a compulsory license were considered one of the "minor reservations" implicitly permitted under the broadcasting right in Article 11*bis*, there would have been no need to include an explicit compulsory licensing provision in that Article.

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[4] See World Intellectual Property Organization, Guide to the Berne Convention for the Protection of Literary and Artistic Works (Paris Act 1971) ¶ 11.4 (1978) [hereinafter cited as WIPO Guide]; S. Stewart, International Copyright and Neighbouring Rights 111 (1983).

[5] See W. Wallace, United States Copyright Law and the Berne Convention ¶ 7(c) (1978) [hereinafter cited as Wallace (1978)].

[6] With respect to works of U.S. origin, the Convention provides that protection in the country of origin is governed by domestic law, so that the question of compatibility does not arise. See supra Foreword.

[7] As discussed elsewhere in this Report, the broadcasting right in Article 11*bis* is expressly made subject to a permissible form of compulsory licensing. See supra Chapter 1, Compulsory Cable License; infra Chapter 8, Public Broadcasting License. The right to record musical works also allows a compulsory license under Art. 13(1). See infra Chapter 5, Mechanical License.

[8] W. Wallace, The New U.S. Copyright Law and Compatibility with the Berne Convention 14 (1977) [hereinafter cited as Wallace (1977)].

Further evidence that compulsory licensing of the public performance right is not permitted under Article 11(1) is found in the history of the mechanical license in Article 13.[11] The 1948 Brussels text of Article 13(1) originally included a right to record musical works *and* to perform them by means of recordings.[12] Both of these rights were subject to compulsory licensing in Article 13(2).[13] At the Stockholm Conference in 1967, it was decided that Article 13(1) was superfluous, both because a general right of reproduction was created for the first time in the Stockholm text and because the right of public performance by means of recordings was already included in the public performance right in Article 11(1).[14] Accordingly, Article 13(1) was eliminated and the compulsory license in Article 13(2) (now renumbered Article 13(1)) was expressly limited to permit a compulsory license only to record musical works but not to perform them.[15] Indeed, one of the arguments advanced in favor of the Stockholm revision of Article 13 was that "[old Article 13(1)] should be deleted in the interest of authors, because the compulsory license cannot apply to the public performance by instruments of mechanical reproduction [i.e., by means of recordings]."[16] Thus, it could scarcely be

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9. See S. Bergstrom, Report of Main Committee I ¶ 209 (1967) [hereinafter cited as Stockholm Report]; WIPO Guide, supra note 4, at ¶ 11.6.

10. Stockholm Report, supra note 9, at ¶ 209. See also WIPO Guide, supra note 4, at ¶ 11.6.

11. The mechanical license is discussed in greater detail in Chapter 5 of this Report.

12. See Stockholm Report, supra note 9, at ¶ 227; WIPO Guide, supra note 4, at ¶ 13.2.

13. See Stockholm Report, supra note 9, at ¶ 227; WIPO Guide, supra note 4, at ¶ 13.6.

14. See Stockholm Report, supra note 9, at ¶ 229; WIPO Guide, supra note 4, at ¶ 13.2.

15. See Stockholm Report, supra note 9, at ¶ 232; WIPO Guide, supra note 4, at ¶ 13.6.

16. Records of the Stockholm Conference ¶ 1344.4 (1967) (remarks of Mr. Straschnov). It is interesting to note that these remarks were supported by William Wallace. See id. at ¶ 1345.

clearer that the Stockholm Conference intended to disapprove any compulsory license for the public performance of recorded music.[17]

William Wallace, after initially concluding in 1977 that our jukebox license was "probably the only case where such a [compulsory licensing] system is to be considered as incompatible with the provisions of the Berne Convention,"[18] subsequently suggested that the jukebox license might be found permissible under the general consensus of the Stockholm participants that member countries could "take all necessary measures to restrict possible abuse of monopolies."[19] Because it could be argued that section 116 was designed to ensure that there was "no abuse of the monopoly position enjoyed by" the performing right societies in determining the royalty rates of jukebox performances, and because the rate was subject to periodic adjustment in proceedings at which authors would be able to make their case, Wallace was "hesitant" to conclude that section 116 was in conflict with the Convention.[20]

This line of argument is not without difficulty. While it is true that the Stockholm Conference acknowledged every member country's sovereign authority to restrict possible "abuse of monopoly," it is not clear that this authority extends to the creation of a compulsory licensing system in cases where none is permitted by the Convention itself. The *WIPO Guide* indicates only that the "abuse of monopoly" principle sanctions the laws of countries within the Anglo-Saxon legal tradition which provide for tribunals to arbitrate between collecting societies and users of copyrighted works; it does not suggest that these countries may deprive individual copyright owners of the right to consent to the licensing of their works.[21] On the contrary, it was agreed at the Stockholm Conference that Article 17 (under which the "abuse of monopoly" principle was recognized) did not permit a government to introduce any kind of compulsory license.[22] At most, it was conceded that a country could override an author's consent to disseminate a work in order to maintain public order, e.g., "to allow the police to publish or broadcast a photograph of a wanted criminal."[23]

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[17] The Stockholm text of Article 13(1) was confirmed without change at the 1971 Paris Conference, which established the most recent text of the Convention. See WIPO Guide, supra note 4, at ¶ 13.6.

[18] Wallace (1977), supra note 8, at 13.

[19] Wallace (1978), supra note 5, at ¶ 7(c), quoting from Stockholm Report at ¶ 263. See also WIPO Guide, supra note 4, at ¶ 17.4.

[20] Wallace (1978), supra note 5, at ¶ 7(c). A similar argument was recently made by the Director General of the World Intellectual Property Organization in response to written questions submitted by Senator Mathias. See letter from Dr. Arpad Bogsch to Mr. Harvey J. Winter, Attachment at 3 (June 19, 1985).

[21] See WIPO Guide, supra note 4, at ¶ 17.4. In commentary on its draft discussion bill to implement Berne, the Copyright Office has argued that its proposal—to retain the present compulsory license if and only if the parties fail to negotiate voluntary licenses within one year—comports with the practice in other Berne nations of using governmental tribunals to arbitrate disputes between copyright owners and users. See Appendix A, ~~at 6~~. We think this argument overlooks the objection (noted in the text above) that such arbitration, to be compatible with Berne, must not deprive individual copyright owners of the right to consent to the licensing of their works. Failing agreement after the first year of negotiation, the

Another problem with the "abuse of monopoly" argument is that it presupposes that the performing right societies enjoy a "monopoly" in determining the royalty rates for public performances of recorded music—a conclusion that the U.S. courts have consistently rejected.[24] Thus, even assuming that this principle sanctions a system of compulsory licensing to prevent an "abuse of monopoly," there is no evidence to suggest that such a monopoly exists with respect to the licensing of jukebox performances or that a compulsory license is needed to prevent its abuse.

In recent testimony before the United States Senate, Dr. Arpad Bogsch, WIPO's Director General, argued that the U.S. jukebox license, although "theoretically" providing a lower level of protection than that required by the Berne Convention,[25] is "not of sufficient importance from an economic viewpoint" to require any change in U.S. law to permit Berne adherence.[26] Whatever its political appeal, this economic argument does not appear to overcome the substantive legal incompatibility identified in this Report. In the first place, it

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Copyright Office's scheme—like the present law—would do just that. Indeed, the Copyright Office concedes that its proposal is "not as clearly 'Berne-compatible' as the simpler outright repeal of the current [jukebox] license." See Appendix A ~~at 16~~. at 113 (625)

[22] See Stockholm Report, supra note 9, at ¶ 262; WIPO Guide, supra note 4, at ¶ 17.3.

[23] WIPO Guide, supra note 4, at ¶ 17.3.

[24] See Broadcast Music, Inc. v. Columbia Broadcasting, Inc., 441 U.S. 1, on remand sub nom. Columbia Broadcasting Systems, Inc. v. American Soc'y of Composers, Authors and Publishers, 607 F.2d 543 (2d Cir. 1979), on remand, 620 F.2d 930 (2d Cir. 1980), cert. denied, 450 U.S. 970, reh'g denied, 450 U.S. 1050 (1981); Buffalo Broadcasting Co. v. American Soc'y of Composers, Authors and Publishers, 744 F.2d 917 (2d Cir. 1984), cert. denied, 53 U.S.L.W. 3597 (1985); K-91, Inc. v. Gershwin Publishing Corp., 372 F.2d 1 (9th Cir. 1967), cert. denied, 389 U.S. 1045 (1968); Broadcast Music, Inc. v. Moor-Law, Inc., 527 F. Supp. 758 (D. Del. 1981), aff'd mem., 691 F.2d 490 (3d Cir. 1982).

[25] U.S. Adherence to the Berne Convention: Hearings Before the Senate Subcomm. on Patents, Copyrights and Trademarks of the Senate Judiciary Comm., 99th Cong., 1st Sess., unofficial transcript at 12 (May 16, 1985) [hereinafter cited as 1985 Hearings] (remarks of Dr. Arpad Bogsch).

[26] Id. at 23. See also letter from Dr. Arpad Bogsch to Mr. Harvey J. Winter, Attachment at 2 (June 19, 1985) (where Dr. Bogsch argues in response to a written question from Senator Mathias that "the economic significance, for authors and composers, of the use of [jukebox] players is marginal").

may be questioned whether total jukebox royalties amounting to \$5,197,548 in 1984[27] are economically unimportant. Certainly, these royalty payments are of considerable economic significance to the industries affected. Second, as a legal matter, it may be doubted whether the Convention sanctions a lower level of protection based upon the relative economic value of the activity involved. It would surely set a dangerous precedent for the United States to argue that an author's right need not be protected where it generates less than \$5 million per year in total royalty payments.

In response to written questions, Dr. Bogsch also suggested that the jukebox license should be regarded as compatible on the ground that coin-operated jukeboxes "may well be on their way out since better techniques and less bulky devices are taking their place."[28] Whatever the future may hold for the coin-operated jukebox, it is not clear how this prediction of its future obsolescence can rectify the incompatibility that is found on the face of the present statute.

Two recent developments relating to the jukebox license also deserve to be mentioned. First, in testimony before the United States Senate in 1985, the Copyright Office took the position that the jukebox license "appears to be inconsistent with the minimum obligations of Article 11(1) of the Berne Convention."[29] The Copyright Office has reiterated this position both in response to written questions submitted by Senator Mathias after the 1985 hearing,[30] and in its commentary on a draft discussion bill to implement Berne which it presented at a subsequent hearing in 1986.[31]

Second, representatives of the principal performing right societies and jukebox owners have announced a voluntary agreement concerning future compliance with the jukebox license.[32] Under this agreement, jukebox owners may obtain a rebate from the jukebox compulsory license fee if they satisfy certain conditions agreed to between the parties, including compliance with all the provisions of the copyright law for the year in which the rebate is sought. The rebate scheme will be administered by the parties, and rebates will be issued by the performing right societies after receipt of their compulsory license fees. The agreement also contains other provisions designed to encourage jukebox owners to comply with the existing law and regulations.

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[27] Telephone Interview with George Lanier, Licensing Division, Copyright Office (August 5, 1985).

[28] Letter from Dr. Arpad Bogsch to Mr. Harvey J. Winter, Attachment at 2 (June 19, 1985).

[29] 1985 Hearings, supra note 25, at 34 (statement of Donald C. Curran, Associate Librarian of Congress and Acting Register of Copyrights, Copyright Office).

[30] See Letter from Donald C. Curran, Acting Register of Copyrights, to Senator Charles McC. Mathias, Attachment at 2 (July 3, 1985) ("[T]he jukebox license is the only major incompatible compulsory license.").

[31] See Appendix A ~~at 15~~ ("the present jukebox compulsory license is incompatible with Article 11(1) of Berne.") We also note in passing that Professor John M. Kernochan, of Columbia Law School, has endorsed this conclusion in his comments on the preliminary version of this Report. See Appendix B ~~at 9~~. His further comment—that, despite its apparent incompatibility, "removal of the [jukebox license] now is most probably not a *sine qua non* for acceptance of our adherence to Berne"—is beyond the scope of this Report, however.

[32] See Press Release, "Music Performing Rights Organizations and Jukebox Owners

This voluntary agreement does not appear to resolve the basic incompatibility between the statutory jukebox license and the Berne Convention. Obviously, it does not purport to modify the statute itself. Most significantly, it does not afford copyright owners the exclusive right of authorizing jukebox performances of their works. At most, it represents a voluntary adjustment of the amount of fees paid under a compulsory license, not an agreement to substitute voluntary licensing for compulsory licensing.

Two final points are not without significance. First, there is no Berne member nation whose law provides for compulsory licensing of jukebox performances.[33] Second, the Amusement and Music Operators Association (the trade association of jukebox owners), in its comments on the preliminary version of this Report, does not dissent from our conclusion that the jukebox license is probably incompatible with Berne, although it does challenge the desirability of eliminating the present license—a question which is beyond the scope of this Report.[34]

Reach Agreement" (May 13, 1985). It should be stressed that our analysis of the agreement is based solely on this press release: the agreement itself has not been publicly disclosed.

[33] Telephone interview with Gillian Davies, Associate Director General and Chief Legal Adviser, International Federation of Phonogram and Videogram Producers (May 17, 1985). But see letter from Dr. Arpad Bogsch to Mr. Harvey J. Winter, Attachment at 2 (June 19, 1985) (arguing that jukebox performances are subject to "a *de facto* compulsory licensing system" in several Berne countries).

[34] See Appendix B ~~at 6.~~ 127(639) at 130(642).

Chapter IV

Domestic Manufacturing Requirements

A. Issue

Is section 601 of the U.S. Copyright Act compatible with the Berne Convention?[1]

B. Conclusion

Section 601 is not compatible with the Berne Convention to the extent that it applies to works of foreign origin.

C. Relevant Provisions of the Berne Convention

Article 5(1) of the Convention provides:

> Authors shall enjoy, in respect of works for which they are protected under this Convention in countries of the Union other than the country of origin, the rights which their respective laws do now or may hereafter grant to their nationals as well as the rights specifically granted by this Convention.

Article 5(2) further provides that the "enjoyment and the exercise of these rights shall not be subject to any formality."

D. Relevant Provisions of U.S. Law

Section 601 of the U.S. Copyright Act prohibits importation and distribution in the United States of copies of any U.S.-copyrighted work consisting preponderantly of non-dramatic literary material in English, unless manufactured in the U.S. or Canada. There are several exceptions to this ban including: works of foreign authors not domiciled here on the date of importation; up to 2,000 copies of any work covered by the clause may be brought into the U.S. under an Import Statement; works of U.S. authors domiciled abroad or first published abroad, under specified conditions; etc. Section 601 ("the manufacturing clause") is enforced by seizure provisions under section 603 and by allowing failure of domestic manufacture as a defense to actions for infringement of the publishing rights in a work imported in violation of section 601.

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[1] Section 601 of the U.S. Copyright Act lapsed in accordance with its terms on July 1, 1986. It has not been reenacted as of the publication of this Report.

E. Discussion

There can be no doubt that the manufacturing clause is a formality within the meaning of, and prohibited by, Article 5(2) of the Berne Convention.[2] Despite its substantial liberalization in the 1976 Copyright Act, failure to comply with the conditions of section 601 causes a suspension of the enforceability of fundamental rights in non-dramatic literary works, as well as authorizing the seizure by the Customs Service of copies of works sent to the U.S. for distribution.

By limiting the right of an author or other copyright owner to exercise rights of public distribution and reproduction in non-dramatic literary materials to copies manufactured locally, section 601 conditions the "enjoyment" of copyright. By conditioning the power of an aggrieved rightsholder to enforce reproduction and distribution rights against infringers upon local manufacture of copies, section 601 impedes the "exercise" of copyright.

Section 601 can be applied to works of U.S. origin, for the reasons discussed in the Foreword to this Report. It cannot be applied to works of whose country of origin is a state of the Berne Union, whether created by foreign or U.S. authors. For example: if a U.S. author's work is first published in the United Kingdom, that is its country of origin. Under Berne, the U.S. could not apply section 601 or section 603 to importation of copies, even if the work did not qualify for the exemption granted by section 601(b)(7).

Copyrighted non-dramatic literary works of foreign authors may also be caught up in the proscriptions and penalties of the clause. A valid claim to copyright by a foreign author may exist in a contribution to a collective work consisting substantially of U.S.-authored contributions. In such cases—of particular concern in connection with compilations and collective works—foreign authored material may become subject to the manufacturing requirements of section 601.

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[2] The WIPO Glossary of the Terms of the Law of Copyright and Neighboring Rights stated:

> Some countries still require in the field of copyright compliance with *certain formalities* such as copyright notice, deposit, registration or *manufacture* in those countries.

(emphasis added)

Chapter V
Mechanical License

A. Issue

Is the mechanical license in section 115 of the U.S. Copyright Act compatible with the Berne Convention?

B. Conclusion

We conclude that the mechanical license is compatible with the Convention.

C. Relevant Provisions of the Berne Convention

Article 13(1) of the Berne Convention provides that:

> Each country of the Union may impose for itself reservations and conditions on the exclusive right granted to the author of a musical work and to the author of any words, the recording of which together with the musical work has already been authorized by the latter, to authorize the sound recording of that musical work, together with such words, if any; but all such reservations and conditions shall apply only in the countries which have imposed them and shall not, in any circumstances, be prejudicial to the rights of these authors to obtain equitable remuneration which, in the absence of agreement, shall be fixed by competent authority.

D. Relevant Provisions of U.S. Law

The mechanical license in section 115 of the U.S. Copyright Act, one of four compulsory licenses in the current U.S. statute,[1] permits any person to make and distribute phonorecords of a nondramatic musical work (including any accompanying words) without the copyright owner's consent upon compliance with the terms and conditions specified under the law.[2] The mechanical license is available only after the owner of copyright in the underlying musical work has first authorized the distribution of phonorecords embodying the work.[3]

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[1] The other three compulsory licenses are considered elsewhere in this Report. See supra Chapter 1, Compulsory Cable License; Chapter 3, Jukebox Licenses; infra Chapter 8, Public Broadcasting Licenses.

[2] 17 U.S.C. § 115 (1982).

[3] Id. § 115(a)(1).

The royalty rate under the mechanical license, initially prescribed by Congress, is subject to periodic adjustment by the Copyright Royalty Tribunal.[4]

E. Discussion

According to Claude Masouyé, Article 13(1) of the Berne Convention is expressly intended to allow "member countries to provide for compulsory licenses to record musical works."[5] To satisfy the Convention requirements, any compulsory licensing system must include the following features: (1) the owner of copyright in the underlying musical work (including any accompanying words) must already have consented to an earlier recording of the work;[6] (2) the compulsory license must have effect only in the country granting it;[7] and (3) the copyright owner must obtain "equitable remuneration" fixed, in the absence of agreement, by "competent authority."[8] This last requirement means that the country must lay down a "proper procedure" to determine a fair remuneration, e.g., "by fixing the level of compensation . . . or by setting up a tribunal to arbitrate the point between the parties."[9] In addition, the compulsory licensing scheme must not prejudice the moral rights afforded by Article 6*bis* of the Convention.[10]

There is uniform agreement that section 115 of the U.S. Copyright Act is compatible with these Convention requirements.[11] Our mechanical license clearly satisfies the three main conditions for compulsory licensing set forth in Article 13(1), and it contains an explicit recognition of the more important moral rights.[12] It is also worth noting that similar mechanical licenses exist in other countries—including the United Kingdom and West Germany—which were expressly cited at the 1967 Stockholm Conference of Berne members as a model for the present text of Article 13(1).[13]

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[4] See Id. § 804.

[5] World Intellectual Property Organization, Guide to the Berne Convention for the Protection of Literary and Artistic Works (Paris Act 1971) ¶ 13.6 (1978) [hereinafter cited as WIPO Guide].

[6] See WIPO Guide, supra note 5, at ¶ 13.8.

[7] See id. at ¶ 13.9.

[8] Article 13(1). See also WIPO Guide, supra note 5, at ¶ 13.9.

[9] WIPO Guide, supra note 5, at ¶ 11*bis*.16.

[10] See id. at ¶ 13.9; S. Stewart, International Copyright and Neighbouring Rights 115 (1983). The question of moral rights is considered in greater detail in Chapter 6 of this Report.

[11] See U.S. Adherence to the Berne Convention: Hearings Before the Subcomm. on Patents, Copyrights and Trademarks of the Senate Comm. on the Judiciary, 99th Cong., 1st Sess. 47 (May 16, 1985) (statement of Donald C. Curran, Associate Librarian of Congress and Acting Register of Copyrights, Copyright Office); W. Wallace, The New U.S. Copyright Law and Compatibility with the Berne Convention 13 (1977); W. Wallace, United States Copyright Law and the Berne Convention ¶ 7(a) (1978).

[12] Section 115(a)(2) provides that "[a] compulsory license includes the privilege of mak-

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ing a musical arrangement of the work to the extent necessary to conform it to the style or manner of interpretation of the performance involved, *but the arrangement shall not change the basic melody or fundamental character of the work* . . . ." 17 U.S.C. § 115(a)(2) (emphasis added). This provision appears to satisfy the moral right to object to distortion, mutilation, or modification of the underlying musical work. The other aspect of the moral right—the right of authorship—is discussed in Chapter 6 of this Report.

[13] See S. Bergstrom, Report on the Work of Main Committee I ¶ 236 (1967) (the "Stockholm Report"); S. Stewart, supra note 10, at 115. The Stockholm text of Article 13(1) was confirmed at the 1971 Paris Conference, which established the most recent text of Art. 13(1). See WIPO Guide, supra note 5, at ¶ 13.6.

Chapter VI
Moral Rights

A. Issue

Is protection of "moral rights" in the U.S. compatible with the Berne Convention?

B. Conclusion

Given the substantial protection now available for the real equivalent of moral rights under statutory and common law in the U.S., the lack of uniformity in protection of other Berne nations, the absence of moral rights provisions in some of their copyright laws, and the reservation of control over remedies to each Berne country, the protection of moral rights in the United States is compatible with the Berne Convention.

C. Relevant Provisions of the Berne Convention

The provisions on moral rights are contained in Article 6*bis*:

> (1) Independently of the author's economic rights, and even after the transfer of the said rights, the author shall have the right to claim authorship of the work and to object to any distortion, mutilation, or other modification of, or other derogatory action in relation to, the said work, which would be prejudicial to his honor or reputation.
>
> (2) The rights granted to the author in accordance with the preceding paragraph shall, after his death be maintained, at least until the expiry of the economic rights, and shall be exercisable by the persons or institutions authorized by the legislation of the country where protection is claimed. However, those countries whose legislation, at the moment of their ratification of or accession to this Act, does not provide for the protection after the death of the author of all the rights set out in the preceding paragraph may provide that some of these rights may, after his death, cease to be maintained.
>
> (3) The means of redress for safeguarding the rights granted by this Article shall be governed by the legislation of the country where protection is claimed.

D. Relevant Provisions of U.S. Law

There are no explicit "moral rights" provisions in the U.S. Copyright Act. The relevant federal statutory provisions and other sources of protection are:

1. Section 106(2) of the U.S. Copyright Act, which grants authors the exclusive right to make derivative works based on their works; and section 101 which defines "derivative work" to include abridgements, condensations, editorial revisions or other modifications. In addition, the mechanical license of section 115(a)(2) contains a moral rights provision.[1]
2. Section 43(a) of the Lanham Act,[2] which prohibits false designations of origins of works, including intellectual and artistic works, and prohibits false descriptions and representations of such works.
3. Decisions under section 43(a).
4. State and Federal decisions protecting various rights equivalent to those granted in Article 6*bis* under state common law principles.
5. State statutes protecting rights equivalent to those granted by Article 6*bis*.[3]

E. Discussion

1. *Source of Protection*

Our Copyright Act and section 43(a) of the Lanham Act do not protect all the moral rights specified by Berne. Even assuming that state common law protected those rights not secured by Federal statutes, would that satisfy the Berne requirement that redress be governed by the "legislation" of the country where protection is claimed?

Dr. Boytha, in his Copyright Office presentation, said that "several member states of the Berne Union still do not have statutory provisions for the protection of moral rights. The wording of the Berne Convention leaves sufficient room for implementation of Article 6*bis* in various ways."[4]

William Wallace, in his memorandum annexed to Letter C.425, says that U.S. copyright law does not differ markedly from that of

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[1] See supra Chapter 5, Mechanical License.

[2] 15 U.S.C. § 1125(a) (1946).

[3] Cal. Civil Code § 987 (Preservation of Works of Art) (West 1985); Me. Rev. Stat. Ann. tit. 27, § 303 (Works of Art—Preservation) (enacted June 20, 1985); Mass. Gen. Laws Ann. ch. 231, § 85S (West 1985); N.Y. Arts and Cultural Affairs Law § 14.03 (Artists' Authorship Rights) (McKinney Supp. 1986).

[4] (6/84).

Great Britain or other members whose copyright laws do not contain moral rights provisions, but "rely on their general law, including particularly the law of defamation, to meet these convention obligations."[5] The recent British White Paper on copyright revision notes that the Whitford study

> casts some doubt on whether the [British] law satisfies the Brussels text of Berne. Whether or not these doubts are justified, amendment of the law will be necessary to comply with the Paris text of the Berne Convention which requires member states to protect some at least of the moral rights at least until the expiry of the copyright.[6]

The White Paper states that "the government proposes to legislate for moral rights" and that "(a) authors will be given the right to claim authorship and to object to distortion, but not to modification of a work to which they could not reasonably refuse consent."[7]

On the other hand, Australia—which adhered to the Paris text—does not have a moral rights clause in its copyright act.

It appears state law can fill the gaps in federal protection of moral rights. Dr. Bogsch advises that "legislation," as used in Article 6*bis*, includes a country's decisional as well as statutory law. Australia has a federal system and no moral rights provision in its national legislation, and its adherence to Berne is unchallenged.

2. *Categories of Moral Rights*

Various foreign countries have recognized one or more of the following categories of moral rights:

(a) the right of publication;
(b) the right of recall;
(c) the right to claim authorship; and
(d) the right to protect the integrity of the work.

a. *The Right of Publication*

Some Berne countries (e.g. West Germany and France) grant a *moral* right of publication, i.e. a right to decide whether, and in what form the work shall be presented to the public. Other Berne countries do not grant that right, as distinct from a copyright right of publication (e.g. Denmark, India, Italy, and Sweden). The moral right of publication is not provided for in the Berne Convention.[8] Consequently, absence of a moral right of publication in the United States would not pose any incompatibility with Berne. The U.S. Copyright Act, moreover, does grant authors the exclusive right of publication.[9]

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[5] (7/79).

[6] Dept. of Trade and Industry, Intellectual Property and Innovation, Cmnd. 9712, at 73 (April 1986).

[7] Id.

b. *The Right of Recall*

Some Berne countries (e.g., West Germany, France and Italy) grant the author a moral right to withdraw a work from use if it no longer represents the author's views. Several Berne countries that grant moral rights in their legislation do not include a right of recall (e.g., Belgium, Denmark, Netherlands, and Norway). The Berne Convention does not explicitly grant a right of recall, and the absence of that provision from the laws of several members indicates that "recall" cannot be considered a right granted by Article 6*bis*. Absence of a right of recall in U.S. law would not, therefore, constitute an incompatibility with Berne.

c. *The Right to Claim Authorship*

I. *Provisions of Berne Members*

Article 6*bis* grants "the author the right to claim authorship of the work . . . ." The phrase encompasses the author's rights: to have the work published anonymously or pseudonymously, to prevent it from being attributed to another author; and to prevent his name from being applied to the work of another person.[10]

Most Berne members grant the right to claim authorship, in varying forms, in their legislation. However, some Berne nations do not grant the right to claim authorship or other moral rights: i.e., Australia, Ireland, Liechtenstein, and South Africa. The United Kingdom's Copyright Act does not grant moral rights but does prohibit anyone from affixing a person's name to a work if he is not its author. But the provision[11] does not grant an author the right to have his name placed on the work. Switzerland's copyright statute prohibits use of an author's name on copies of a reproduction not originating from him, and failing to indicate the source in cases where the law requires. But the statute does not contain any other moral rights provisions, although it does give *Swiss* authors the protection of moral rights provided in Berne's Article 6*bis*.

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[8] See World Intellectual Property Organization, Guide to the Berne Convention for the Protection of Literary and Artistic Works (Paris Act 1971) 42-43 (1978) [hereinafter cited as WIPO Guide].

[9] 17 U.S.C. § 106(3) (1976).

[10] WIPO Guide, supra note 5, at 41.

[11] Section 43.

II. *U.S. Protection Of The Right To Claim Authorship*

The U.S. Copyright Act does not grant authors a right to claim authorship. It does require that the "author" of a work be named in the application for registration. But that does not afford the protection commonly understood to be provided in Berne's affirmative moral right of paternity—the author's right to have his or her name placed on the work.[12]

No other United States statute explicitly grants the right to claim authorship, nor do state statutes provide that protection. A few states provide a right of paternity to works of graphic art,[13] but do not extend the right to authors of other works. Most states do not even grant that limited statutory protection.

However, as some commentators believe, sufficient protection of the right to claim authorship is provided by a combination of common law rights and section 43(a) of the Lanham Act to satisfy Article 6*bis*.[14] Although courts have stated that "moral rights" do not exist under U.S. law,[15] if in reality the rights of paternity and integrity are adequately protected by other legal principles and statutory provisions, then the totality of United States law should be recognized as sufficiently compatible with Article 6*bis*.

(i) The Right to be Identified as Author

(a) Contract theory

As Professor Nimmer points out, some decisions have held that an author cannot require that his name be applied to his work unless the contract explicitly requires it.[16]

Although the name of authors who are not employees-for-hire usually are applied to their work in many media—books, magazine articles, graphic works, sheet music, records, etc.—the *Vargas*[17] opinion concluded there was no implied obligation to do so. But more recent opinions involving literary property have emphasized the implied covenant of fair dealing.[18] Given the prevailing practice of attributing authorship, the public policy favoring it, the cataloging practices of libraries, the public interest in identifying authors of works, and the inherent unfairness of withholding recognition of paternity, it is likely that courts will apply the implied covenant of fair dealing or good faith to require identification of authors when there is a direct or indirect contractual nexus. Of course, where the contract for use explicitly requires identification, the courts will enforce it; and injunctive relief should be available.[19]

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[12] WIPO Guide, supra note 5, at 41.

[13] See supra note 3.

[14] See, e.g., Nimmer, Implications of the Prospective Revisions of the Berne Convention and the U.S. Copyright Law, 19 Stan. L. Rev. 499, 518-523 (1967).

[15] See, e.g., Geisel v. Poynter Prods, 295 F. Supp. 331, 340 n.5 (S.D.N.Y. 1968).

[16] 2 M. Nimmer, Nimmer On Copyright (1984) § 8.21[E]. See, e.g., Harris v. Twentieth Century-Fox Film Corp., 43 F.Supp. 119, 121 (S.D.N.Y. 1942); Vargas v. Esquire, Inc., 164 F.2d 522, 526 (7th Cir. 1947).

[17] 164 F.2d 522.

(b) Unfair competition theory

As Professor Nimmer notes,[20] *Smith v. Montoro*[21] indicates, in dicta, that omission of an author's name from his work may constitute "an implied reverse passing off" and thus violate section 43(a) of the Lanham Act. Although the prior *Vargas* opinion rejected a similar contention, publication without attribution of authorship does suggest that the work is a work made-for-hire; or, to laymen, that the publisher or producer was responsible for creating the work rather than the actual author. This is a false designation of origin under section 43(a). It also, as noted, could deceive members of the public as to the copyright status of the work, and the expiration date of the term.

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[18] Van Valkenburgh Nooger & Neville, Inc. v. Hayden Publishing Co., 30 N.Y.2d 34, 45 (1972); see also Zilg v. Prentice-Hall, 717 F.2d 671, 680 (2d Cir. 1983) (implied covenant of good faith imposed obligations as to number of copies and amount of promotion a publisher must provide).

[19] Cf. Harms, Inc. v. Tops Music Enterprises, 160 F. Supp. 77 (S.D. Cal. 1958).

In their comments, see Appendix B-1 & 1, Professor Edward J. Damich and Paul Edward Geller, Esquire conclude that U.S. law does not sufficiently establish the "affirmative" right of paternity—the right to be identified as author of the work. And Professor Damich believes the "implied covenant" theory is "wishful thinking," and, as a contract right, would depend on voluntary agreement, and thus fails to satisfy the Berne requirement of "obligatory recognition." However, the rule of "implied covenant" does not depend on the agreement of the parties, it is implied by law—it is obligatory. As the New York Court of Appeals emphasized in the *Van Valkenburg* case, "an implied covenant of fair dealing and good faith" is "implicit in all contracts—for book publishing or house building." 30 N.Y.2d at 45. It is, moreover, implicit under common law throughout the nation.

Of course, the *Van Valkenburg* and *Zilg* cases do not deal with identification of authors, but they do illustrate that the obligation of fair dealing—imposed by law—is enforced in a variety of situations. Several factors, mentioned above, might lead courts to rule that the implied covenant of fair dealing required a user to identify the author of the work. And the 1976 Copyright Act generated another and compelling reason. A primary legislative purpose in establishing the life-plus-50 year copyright term was that it "would appear to make computation of terms considerably simpler and easier." H.R. Rep. No. 1476, 94th Cong., 2d Sess. 135, reprinted in 1976 U.S. Code Cong. & Ad. News 5659, 5751. Any prospective user of a work needs only the name of the author to determine if the work is still protected by copyright. Failure to identify the author on the work defeats the statutory purpose; and is "unfair dealing" with respect to the author and public. Indeed, an express provision in a contract which permitted the publisher to omit the author's name could be held unenforceable because it violated the public policy of Title 17 U.S.C. Cf. Lear v Adkins, 395 U.S. 653 (1969).

[20] M. Nimmer, supra note 16, § 8.21[E].

[21] 648 F.2d 602 (9th Cir. 1982).

(c) Tort theory

Omission of an author's name can cause him economic injury, and a user's refusal or failure, without just cause, to attribute paternity may constitute a willful/prima facie tort.

(ii) Prohibiting Identification of Another as Creator of the Author's Work

Professor Nimmer says that the rights to prevent false identification of authorship "are more completely recognized within the United States. Thus, an author of a work may prevent the false identification of another as the author."[22] False identification of another as author also may give rise to a claim by the actual author under section 43(a) of the Lanham Act.[23]

(iii) Prohibiting Identification of the Author as Creator of Another's Work

Several decisions have sustained an author's right not to be falsely identified as creator of someone else's work. Some decisions have found false identification to violate section 43(a) of the Lanham Act; for example, *Follett v. Arbor House*,[24] and *Geisel v. Poynter Products, Inc.*[25] Section 43(a) cases involving recording artists also invoke the same theory of protection.

Protection also may be granted on the ground that false attribution of authorship is a libel.[26] Authors also may have redress on the theory that false attribution violates their common law or statutory right of privacy/publicity.[27]

d. *The Right to Protect the Integrity of the Work*

I. *Provisions of Berne Members*

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[22] Nimmer, supra note 14, at 520, citing DeBekker v. Stokes Co., 168 A.D. 452, modified, 172 A.D. 960 (1916); Harris v. 20th Century-Fox Film Corp., 43 F. Supp. 119 (S.D.N.Y. 1942); and Jones v. American Law Book Co., 125 A.D. 519 (1908).

[23] See Smith v. Montoro, 648 F.2d 602.

[24] 497 F. Supp. 304 (S.D.N.Y. 1980).

[25] 295 F. Supp. 331 (S.D.N.Y. 1968).

[26] See, e.g., Clevenger v. Baker Voorhis & Co., 8 N.Y.2d 187 (1960) and 14 N.Y.2d 536 (1964); Ben Oliel v. Press Pub. Co., 251 N.Y. 250 (1929); Kerby v. Hal Roach Studios, 53 Cal. App. 2d 207 (Cal. Dist. Ct. App. 1942).

[27] See, e.g., Eliot v. Jones, 120 N.Y.S.2d 989 (Sup. Ct. 1910); Jaeger v. American Int'l Pictures, Inc., 330 F. Supp. 274 (S.D.N.Y. 1971).

Article 6*bis* gives the author the "right . . . to object to any distortion, mutilation, or other modification" of the work "which would be prejudicial to his honor or reputation." As written, the clause does not permit "objection" to all changes in a work, only to those that prejudice the author's honor and reputation. Similarly, the second aspect of the right, to object to "other derogatory action in relation to" the work, is subject to the condition: "which would be prejudicial to his honor or reputation."

The *WIPO Guide* says that this "formula is very elastic and leaves a good deal of latitude for the courts." Berne-member legislation also is elastic — stretching from total absence of statutory protection of integrity to detailed provisions in countries such as Germany.

II. *Protection of Integrity in the United States*

(i) Copyright Act Protection

The U.S. Copyright Act does not grant a general moral right to prevent distortion, mutilation or other modification of a work.[28] Section 106(2) does, however, prevent anyone from making a derivative work based on the author's work without his consent. And a "derivative work," as defined in section 101, includes abridgments, condensations, or any other "forms in which a work may be recast, transformed or adopted," including "editorial revisions" or "other modifications." Thus, as commentators have noted, unauthorized "distortion, mutilation or other modifications" would be actionable as infringements — whether or not prejudicial to the author's honor or reputation.

(ii) Section 43(a) Protection

Courts increasingly have granted authors protection for the integrity of their work under section 43(a) of the Lanham Act. A leading case is *Gilliam v. American Broadcasting Co.*[29]

(iii) Other Grounds for Protection

Some decisions have indicated that protection against mutilation, distortion or other modifications can be obtained under a claim of libel.[30] Too, publication under the author's name, with unauthorized changes, may violate his right of privacy or publicity.[31]

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[28] However, a specific moral right is granted in the Mechanical License of § 115(a)(2).

[29] 538 F.2d 14 (2d Cir. 1976). See also Jaeger v. American Int'l Pictures, Inc., 330 F. Supp. 274 (S.D.N.Y. 1971); Prouty v. NBC, 26 F. Supp. 265 (D. Mass. 1939); Autry v. Republic Prods., 104 F. Supp. 918 (S.D. Cal. 1952). Cf. Mr. Geller's comments, Appendix B at ~~21-23~~).

158 (670) - 160 (672)

It also is conceivable that courts will extend protection against substantial invasions of integrity by invoking implied covenants of fair dealing and good faith, and also resorting to industry practice to close contractual loopholes that have sometimes shielded users who make substantial changes that affect the author's honor or reputation.

3. *Compatibility of U.S. and Berne Protection for Moral Rights*

Although the United States does not have a statute that grants, *in haec verba*, the moral rights set forth in Article 6*bis*, there are substantial grounds for concluding that the totality of U.S. law provides protection for the rights of paternity and integrity sufficient to comply with 6*bis*, as it is applied by various Berne countries. Several do not explicitly grant moral rights in their statutes. There is not a comprehensive body of case law from each and every Berne country against which the sufficiency of U.S. law can be tested for compatibility. And the cumulative protection of U.S. law indicates that substantial recognition is provided for the right of paternity and the right of integrity, particularly given the "elasticity" of the formula for the latter right, which "leaves for a good deal of latitude to the courts."[32] While Professor Damich does not believe U.S. law gives the "real equivalent" of rights guaranteed by Article 6*bis*, he does agree that the "lack of effective compliance among Berne countries, rather than the protection given moral rights under American law, . . . removes Article 6*bis* as an obstacle to U.S. adherence."[33]

4. *Duration of Rights*

Berne appears to require protection until the author's economic rights expire, but it does grandfather, to some degree, the termination of protection on death. The *WIPO Guide* states that the Convention "allows the Union countries to permit one of the rights comprising the moral right to lapse, after [the author's death]."[34] Moreover, protection under various of the U.S. sources, e.g. section 106(2) of the U.S. Copyright Act, section 43(a) of the Lanham Act and implied covenants, would survive the author's death and be available to his heirs.

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[30] Kerby v. Hal Roach Studios, 53 Cal. App. 205 (Cal. Dist. Ct. App. 1942); Edison v. Viva Int'l Ltd., 70 A.D.2d 379 (1980); Clevenger v. Baker Voorhis & Co., 8 N.Y.2d 187 (1960) and 14 N.Y.2d 536 (1964).

[31] Zim v. Western Publishing Co., 573 F.2d 1318 (5th Cir. 1978); Jaeger v. American Int'l. Pictures, Inc., 330 F. Supp. 274 (S.D.N.Y. 1971); Big Seven Music v. Lennon, 554 F.2d 504 (2d Cir. 1977); Stevens v. NBC, 76 Cal. Rptr. 106 (Cal. Ct. App. 1969).

[32] WIPO Guide, supra note 5, at 42.

[33] Appendix B at 137(649)

5. *Transferability of Moral Rights*

Does Berne require protection of moral rights after the author transfers them? The language of Article 6 can be read to suggest that the protection survives alienation. However, some Berne-member legislation prohibits various incursions of the right of integrity "without the author's consent." Professor Nimmer, discussing the interpretation that the rights are alienable, cites Sr. Caselli, Rapporteur of the Rome Conference.[35] The *WIPO Guide* suggests the rights are inalienable, but says that "[h]owever, on this point, too, the courts have some freedom of action."[36] The British White Paper states that the proposed legislation will provide that "an author will be able to waive his moral rights, and such waiver will override any inheritance or bequest. . . ."[37]

6. *Self-execution*

Would U.S. adherence to Berne expand the rights of authors, and grant them new causes of action not now available under existing statutes or common law? Leaving aside the general principles and decisions governing the "self-executing" effect of ratification of treaties, it should be noted that Article 6*bis* specifically reserves to the country in which protection is claimed control over the "means" of providing "redress for safeguarding the rights granted by this Article . . . ," providing that those means of redress "shall be governed by its legislation."[38]

Applied literally, the paragraph would foreclose the granting of remedies for violation of Berne moral rights, unless U.S. statutes or existing common law provided those remedies dehors Berne.

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[34] WIPO Guide, supra note 5, at 42.

[35] Nimmer, supra note 14, at 524.

[36] WIPO Guide, supra note 5, at 423.

[37] Dept. of Trade and Industry, supra note 6, at 73.

[38] Berne Convention, Art. 6*bis*, ¶ (3).

Chapter VII
Notice

A. Issue

Are the notice requirements of sections 401 and 402 of the U.S. Copyright Act in conflict with the provision of the Berne Convention?

B. Conclusion

With respect to works of foreign origin, the provisions of section 401 of the U.S. law are incompatible with the provisions of Article 5(2) of the Berne Convention. With respect to works of U.S. origin, the Convention provides that protection in the country of origin is governed by domestic law, so that the question of compatibility does not arise.[1]

C. Relevant Provisions of the Berne Convention

Article 5, paragraph (2) of the Berne Convention states:

> (2) The enjoyment and the exercise of these rights shall not be subject to any formality; such enjoyment and such exercise shall be independent of the existence of protection in the country of origin of the work. Consequently, apart from the provisions of this Convention, the extent of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where protection is claimed.

D. Relevant Provisions of U.S. Law

Section 401 of the U.S. Copyright Act requires that copyrighted works contain the symbol "©" or the word "copyright" or an abbreviation, the year of publication, and the name of the owner. Section 402 has similar provisions for sound recordings. Section 405 states that the failure to provide notice does not invalidate copyright if the notice was omitted from a relatively small number of copies, or if registration has been or is made within five years after the publication of the copies from which the notice is omitted and a reasonable effort is made to add notice to copies distributed in the U.S. after the omission is discovered, or if notice was omitted in breach of an express condition imposed by the copyright owner.

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[1] See Foreword.

E. Discussion

The failure to meet the notice requirement of section 401 of the U.S. Copyright Act could lead to the loss of copyright. Article 5, paragraph (2) of Berne considers this kind of provision a breach of the Berne Convention. Section 405 does not cure this incompatibility. The Berne prohibition on formalities is not dependent on the number of copies subject to the requirement, nor does it permit the substitution of another formality (registration) or a delayed formality of the same notice (efforts to add notice) to assure protection. And the Convention does not permit the imposition of formalities where the copyright owner himself fails to comply with them, or fails to especially require compliance by others.

There is a debate whether sound recordings are covered by separate conventions and therefore not subject to Berne. Thus no comment is made about section 402 and its compatibility with Berne.

Chapter VIII
Public Broadcasting Compulsory License

A. Issue

Is the public broadcasting compulsory license provision of section 118 of the U.S. Copyright Act compatible with the Berne Convention?

B. Conclusions

1. The public broadcasting compulsory license is compatible with the Berne Convention in the performing rights area.
2. It is not clear whether the public broadcasting compulsory license is compatible with the Berne Convention in the reproduction rights area.

C. Relevant Provisions of the Berne Convention

The Berne Convention requires that the author enjoy exclusive rights over public performances by broadcasting. Article 11*bis*(1)(ii) states:

> (1) Authors of literary and artistic works shall enjoy the exclusive right of authorizing:
>
> . . . .
>
> (ii) any communication to the public by wire or by rebroadcasting of the broadcast of the work, when this communication is made by an organization other than the original one.

However, the Berne Convention also allows such rights to be exercised under a system of compulsory licensing as long as the author has the right to "equitable remuneration" in the absence of voluntary agreement, which remuneration "shall be fixed by competent authority." Article 11*bis*(2) states:

> (2) It shall be a matter for legislation in the countries of the Union to determine the conditions under which the rights mentioned in the preceding paragraph may be exercised, but those conditions shall apply only in the countries where they have been prescribed. They shall not under any circumstances be prejudicial to the moral rights of the author nor to his rights to obtain equitable remuneration which, in the absence of agreement, shall be fixed by competent authority.

Article 11*bis*(3) allows for the making of "ephemeral recordings," which are limited to those made by "a broadcasting organization by means of its own facilities and used on its own broadcasts":

> (3) In the absence of any contrary stipulation, permission granted in accordance with paragraph (1) of this Article shall not imply permission to record, by means of instruments recording sounds or images, the work broadcast. It shall, however, be a matter for legislation in the countries of the Union to determine the regulations for ephemeral recordings made by a broadcasting organization by means of its own facilities and used for its own broadcasts. The preservation of these recordings in official archives may, on the ground of their exceptional documentary character, be authorized by such legislation.

Article 9(2) allows for reproduction of literary and artistic works "in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author":

> (2) It shall be a matter for legislation in the countries of the Union to permit the reproduction of such works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author.

D. Relevant Provisions of U.S. Law

Section 118 of the U.S. Copyright Act contains a compulsory license which allows public broadcasting entities to: 1) perform or display published non-dramatic musical works and pictorial, graphic and sculptural works in the course of transmissions by non-commercial educational broadcast stations; and 2) produce such programs for such transmissions, entailing reproduction of the works (including the "synchronization" right for music, and the reproduction of pictorial, graphic and sculptural works, on film or videotape). License fees are arrived at voluntarily by the copyright owners and public broadcasting entities; in the absence of an agreement, the Copyright Royalty Tribunal sets a "reasonable" license fee.

E. Discussion

The public broadcasting compulsory license appears to fall within the provisions of Article 11*bis*(2) insofar as the performing right (and, by analogy, the display right) is concerned. Voluntary license agreements are in force; should the compulsory license be invoked, the "reasonable" compulsory license fees to be determined by the

Copyright Royalty Tribunal would likely meet the requirement that they be "equitable" and fixed by "competent authority."

The question as regards reproduction rights is not so clear-cut. The reproduction could not be justified under the "ephemeral recording" provisions of Article 11*bis*(3), because such recordings are limited to those made by "a broadcasting organization by means of its own facilities and used on its own broadcasts." Such is not the case here, where independent, non-broadcasting-organization program producers have the benefit of the compulsory license. It might be argued that the public broadcasting compulsory license does not fit the "special cases" exception of Article 9(2), for the Convention specifically lists the permissible (and thus, by inference, the impermissible) compulsory licenses; no compulsory license is specifically allowed for any reproduction right other than the mechanical right. On the other hand, it might be argued that the limited compulsory license for reproduction rights granted in section 118, for a limited class of works (published musical and pictorial, graphic and sculptural works) and a limited class of users (public broadcasting entities), is such a special case, meets the other tests of Article 9(2), and is therefore compatible with the letter and spirit of Article 9.

Chapter IX
Registration, Recordation and Deposit

A. Issues

1. Are the registration provisions of sections 405(a)(2), 405(b), 408(a), 410(a), 411 and 412 of the U.S. Copyright Act[1] compatible with the Berne Convention?

2. Are the recordation provisions of sections 205(c)(2) and 205(d) of the U.S. Copyright Act compatible with the Berne Convention?

3. Are the deposit provisions of sections 407 and 408 of the U.S. Copyright Act compatible with the Berne Convention?

B. Conclusions[2]

1. *Registration*

a. With respect to works of foreign origin,[3] section 405(a) is incompatible with Berne since subsection (2) thereof refers to registration as a cure for omission of notice.

b. It is unclear whether section 405(b) which governs relief against innocent infringers is compatible with Berne.

c. Section 408 is compatible with Berne since its permissive registration requirements are not a condition of copyright protection.

d. Section 410(c) is compatible with Berne, since it only deals with the evidentiary effect of a certificate of registration.

e. Section 411 is compatible with Berne to the extent that it requires registration of a work of which the U.S. is the country of origin and is not compatible with Berne to the extent that it requires registration of a work of which the U.S. is not the country of origin as a prerequisite to instituting an infringement action.

f. Section 412 is compatible with Berne since it deals with certain specific remedies rather than the ability to obtain redress at all.

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[1] All relevant statutory sections are set forth in the text.

[2] Actual practices in a number of Berne Countries are set forth in the Appendix to this Chapter.

[3] With respect to works of U.S. origin, the Convention provides that protection in the country of origin is governed by domestic law, so that the question of compatibility does not arise. See Foreword.

2. *Recordation*

With respect to works of foreign origin,[4] section 205(d) is incompatible with Berne, since it requires recordation as a prerequisite to suit and thereby may affect the exercise of copyright.

3. *Deposit*

a. Section 407 is compatible with Berne, since the mandatory deposit is not a condition of copyright protection.

b. Section 408 is compatible with Berne, since the required deposit is not a condition of copyright protection.

C. Relevant Provisions of the Berne Convention

Formalities of Registration, Recordation and Deposit

1. *Article 5, paragraph (2): Automatic Protection and Independence of Protection*

> (2) The enjoyment and the exercise of these rights shall not be subject to any formality; such enjoyment and such exercise shall be independent of the existence of protection in the country of origin of the work. Consequently, apart from the provisions of this Convention, the extent of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where protection is claimed.

2. *Article 5, paragraph (4): Definition of the Country of Origin of a Work*

> (4) The country of origin shall be considered to be:
>
> (a) in the case of works first published in a country of the Union, that country; in the case of works published simultaneously in several countries of the Union which grant different terms of protection, the country whose legislation grants the shortest term of protection;
>
> (b) in the case of works published simultaneously in a country outside the Union and in a country of the Union, the latter country;
>
> (c) in the case of unpublished works first published in a country outside the Union, without simultaneous publication in a country of the Union, the country of the Union of which the author is a national, provided that:
>
> (i) when these are cinematographic works the maker of which has his headquarters or his habitual residence in a country of the Union, the country of origin shall be that country, and
>
> (ii) when these are works of architecture erected in a country of the

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[4] See supra note 3.

Union or other artistic works incorporated in a building or other structure located in a country of the Union, the country of origin shall be that country.

D. Relevant Provisions of U.S. Law

1. *Registration and Recordation*

a. *Section 205(c)(2): Recordation as Constructive Notice*

Recordation of a document in the Copyright Office gives all persons constructive notice of the facts stated in the recorded documents, but only if . . . registration has been made for the work.

b. *Section 205(d): Recordation as Prerequisite to an Infringement Suit*

No person claiming by virtue of a transfer . . . is entitled to institute an infringement action . . . until the instrument of transfer . . . has been recorded in the Copyright Office. . . .

c. *Section 405(a)(2): Effect of Omission on Copyright*

The omission of the copyright notice does not invalidate the copyright in a work if . . . registration . . . has been made before . . . five years after the publication without notice, and a reasonable effort is made to add notice to all copies or phonorecords that are distributed . . . after the omission has been discovered . . . .

d. *Section 405(b): Effect of Omission on Innocent Infringers*

Any person who innocently infringes a copyright, in reliance upon an [omission of] . . . notice . . . incurs no liability . . . for any infringing acts committed before receiving actual notice that registration . . . has been made . . . if . . . he . . . was misled by the omission. . . . In such a case the court may allow . . . recovery of . . . profits . . . may enjoin the continuation . . . or may require . . . the infringer [to] pay . . . a reasonable license fee . . . on terms fixed by the court.

e. *Section 408(a): Registration Permissive*

At any time . . . the owner . . . may obtain registration . . . by delivering . . . the deposit specified . . . together with the application and fee. . . .

f. *Section 410(c): Certificate*

In any judicial proceedings the certificate of a registration made . . . within five years after first publication of the work shall constitute

> prima facie evidence of the validity of the copyright and of the facts stated in the certificate. . . .

g. *Section 411(a): Prerequisite to Suit*

> [N]o action for infringement of the copyright in any work shall be instituted until registration of the copyright claim has been made. . . .

h. *Section 412: Registration as Prerequisite to Certain Remedies for Infringement*

> In any action . . . no award of statutory damages or of attorney's fees . . . shall be made . . . unless . . . registration is made within three months after the first publication of the work.

2. *Deposit*

a. *Section 407: Deposit of Copies or Phonorecords for Library of Congress*

> (a) [T]he owner of . . . a work published with notice of copyright in the United States shall deposit, within three months after the date of such publication—
> (1) two complete copies of the best edition; or
> (2) if the work is a sound recording, two complete phonorecords of the best edition, together with any printed or other visually perceptible material published with such phonorecords.

b. *Section 408: Copyright Registration in General*

> (b) Deposit for Copyright Registration.
> Except as provided by subsection (c), the material deposited for registration shall include—
> (1) in the case of an unpublished work, one complete copy or phonorecord;
> (2) in the case of a published work, two complete copies or phonorecords of the best edition;
> (3) in the case of a work first published outside the United States, one complete copy or phonorecord as so published;
> (4) in the case of a contribution to a collective work, one complete copy or phonorecord of the best edition of the collective work.
> Copies or phonorecords deposited for the Library of Congress under section 407 may be used to satisfy the deposit provisions of this section . . . .

E. Discussion

1. *Registration and Recordation*

Registration of copyright is permissive under the U.S. Copyright Act. Section 408(a), captioned "Registration Permissive," provides that registration "may" be obtained, and that "such registration is not a condition of copyright protection." (See also section 102(a), which states: "Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression. . . .")

While registration is permissive, it is a prerequisite to bringing an action for copyright infringement under section 411(a). In like manner, section 205(d) makes recordation of transfers or assignments a prerequisite to infringement actions by the assignees or transferees.[5] Further, under section 412, no award of statutory damages[6] or attorney's fees[7] may be made for

> (1) any infringement of copyright in an unpublished work commenced before the effective date of its registration; or (2) any infringement of copyright commenced after first publication of the work and before the effective date of its registration, unless such registration is made within three months after the first publication of the work.

Moreover, timely registration has the following consequences:

a. Omission of a proper copyright notice from copies or phonorecords may be cured within five years.[8]

b. An innocent infringer may be relieved of liability for infringing acts committed before receipt of actual notice.[9]

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[5] In testimony before the Senate Subcommittee on Patents, Copyrights and Trademarks of the Senate Judiciary Committee on May 16, 1985, (later amplified in the Copyright Office's draft discussion bill, Appendix A, 103 (615) at 118 (630)) the Associate Librarian of Congress and Acting Register of Copyrights Donald C. Curran took the position that the present registration system is compatible with the Berne Convention, citing only "ample legal justification for the view" and without authority other than "the view of the Copyright Office" that registration and recordation as prerequisites to an infringement suit are permissible because they do not affect the existence of copyright. U.S. Adherence to the Berne Convention: Hearings Before the Subcomm. on Patents, Copyrights and Trademarks of the Senate Judiciary Comm., 99th Cong., 1st Sess. 23 (1985). His remarks do not address the issue of registration and recordation as prerequisites to an infringement suit as affecting "the enjoyment and the exercise" of copyrights which is usually identified as the area of incompatibility with Berne.

[6] 17 U.S.C. § 504 (1982).

[7] 17 U.S.C. § 505.

[8] 17 U.S.C. § 405(a)(2).

[9] 17 U.S.C. § 405(b). See World Intellectual Property Organization, Guide to the Berne Convention for the Protection of Literary and Artistic Works (Paris Act 1971) 98 (1978) [hereinafter cited as WIPO Guide] ("[A]ll sanctions on infringers are left to national

c. A certificate of registration may constitute prima facie evidence in any judicial proceeding.[10]

d. Recordation of a document in the Copyright Office may give constructive notice of the facts therein stated.[11]

2. *Deposit*

a. *Mandatory Deposit Under Section 407*

Subject to exemptions that the Register of Copyrights may make by regulation, the owner of copyright or of the exclusive right of publication in a work "published with notice of copyright in the United States" is required under section 407(a) to deposit within three months after the date of such publication (1) two complete copies of the best edition,[12] or (2) if the work is a sound recording, two complete phonorecords of the best edition,[13] together with any printed matter or other visually perceptible material published with such phonorecords.

The foregoing requirement applies only to works published with notice of copyright in the United States. However, the House Report accompanying the 1976 Copyright Act[14] states:

> Although the basic deposit requirements are limited to works "published with notice of copyright in the United States," they would become applicable as soon as a work first published abroad is published in this country through the distribution of copies or phonorecords that are either imported or are part of an American edition.[15]

Section 407(a) expressly provides that these deposit requirements are *not* conditions of copyright protection. However, under section 407(d), at any time after publication as explained above, the Register of Copyrights may make written demand for the required deposit, and unless deposit is made within three months after the demand is

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legislation.")

[10] 17 U.S.C. § 410(c).

[11] 17 U.S.C. § 205(c)(2).

[12] "Best edition" is defined in § 101 as the "edition, published in the United States at any time before the date of deposit, that the Library of Congress determines to be most suitable for its purposes." 37 C.F.R. § 202.19(b)(ii) provides that criteria for selection of the "best edition" from among two or more published editions of the same version of the same work are set forth in "Best Edition of Published Copyrighted Works for the Collections of the Library of Congress" in effect at the time of deposit. 37 C.F.R. § 202.19(b)(iii) further elaborates on "best edition."

[13] See supra note 12.

[14] H.R. Rep. No. 94-1476, 94th Cong., 2d Sess. (1976), [hereinafter cited as House Report], reprinted in 1976 U.S. Code Cong. & Ad. News 5659.

[15] Id. at 151.

received, the copyright owner or owner of the exclusive right of publication is liable to monetary penalties.

Section 407(b) provides that the deposit is to be made in the Copyright Office for the use and disposition of the Library of Congress. See also section 704(b): "In the case of published works, all copies, phonorecords, and identifying material deposited are available to the Library of Congress for its collections, or for exchange or transfer to any other library."

Pursuant to section 407(c), the Register of Copyrights is empowered to issue regulations exempting categories of material from the deposit requirements or allowing for alternate forms of deposit. The Register of Copyrights has issued regulations under this section, which are set forth in 37 C.F.R. section 202.19. The exceptions were apparently intended to apply to materials that the Library of Congress neither needs nor wants for its archival purposes.[16]

b. *Deposit with Registration under Section 408*

Deposit is a necessary element of registration.

In contrast to the section 407 deposit requirements for works first published in the United States, the deposit requirements of section 408 apply to unpublished works and to works first published outside the United States.

Pursuant to section 408(c)(1), the Register of Copyrights is empowered to issue regulations requiring or permitting, for particular classes, the deposit of identifying materials instead of copies or phonorecords, or the deposit of one copy or phonorecord where two would normally be required. However, entire categories of works may not be exempted, in contrast to section 407. The Copyright Office regulations under this section are published in 37 C.F.R. section 202.20.

A deposit under section 407 will satisfy the section 408(b) deposit requirements if such deposit is accompanied by the prescribed application and fee, and by any additional identifying material that the Register may require by regulation.[17]

Registration (with its attendant deposit requirements) is not a condition of copyright protection, but a copyright cannot be enforced and protected absent a registration (and as appropriate, recordation). Compliance with section 407 mandatory deposit is not a condition of copyright protection. Failure to comply may result only in monetary penalties.

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[16] Id. at 150.

[17] See 17 U.S.C. § 408(b); 37 C.F.R. §§ 202.20(e), 202.19(f)(1).

3. *Berne Convention*

Under the Berne Convention, copyright protection may not be conditioned on the observance of any formalities. Article 5(2) of the 1971 Paris Revision provides: "The enjoyment and the exercise of these rights shall not be subject to any formality . . . ." The term "formality" is not defined. This provision, however, is believed to have been inserted originally to force France to eliminate the then mandatory nature of its registration system.

Under the Berne Convention, registration, recordation and deposit may be required in the country of origin of a work as a precondition to the enjoyment and/or exercise of copyright. Where a country is not the country of origin, however, it cannot make registration, recordation or deposit a precondition to the enjoyment or exercise of copyright.

Under the Berne Convention, each member country which is not the country of origin of the work must afford some degree of protection and relief from copyright infringement not conditioned upon registration, recordation or deposit.

a. *Registration and Recordation*

A number of Berne countries have permissive registration, apparently not regarded as a formality.[18] While section 408(a) of the U.S. Copyright Act provides that registration is permissive, section 411 makes registration a prerequisite to enforcing the copyright in an action for infringement. None of the Berne countries having a permissive registration procedure makes such registration a prerequisite to enforcing the copyright. Such a precondition may well be viewed as affecting the "enjoyment" and "exercise" of the copyright and hence be considered a formality under the Berne Convention. Stephen Stewart has stated:

> In the United States for instance, which has a registration system, non-registration does not deprive the author completely of his copyright but he cannot sue for an infringement without registering his copyright first. Thus, if the United States became a member of the Berne Convention the registration system as such would not constitute a violation of the Convention, because the "existence" of the right does not depend

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[18] See Appendix to this Chapter. The copyright statute of each Berne member has not been reviewed, and thus there may be other countries with copyright registration provisions.

> on it. However, the necessity to register before bringing an action would probably be regarded as a "formality" as it negates the "exercise" of the right without such registration.[19]

Likewise, Mayer Gabay states that the U.S. registration provisions

> would certainly seem to offend the "exercise" of the rights (if not the "enjoyment") vested in a copyright owner as determined in Article 5(2) of the Berne Convention. It is true that registration is "permissive" and does not, under the 1976 Act, constitute a condition precedent for *acquisition* of copyright. But these factors merely give rise to a *bare right* that is incapable of being *exercised* in a U.S. court of law until registration *is* effected.[20]

Further, Gabay suggests that registration also becomes a mandatory formality conflicting with Article 5(2) of the Berne Convention under the U.S. law as an alternative to notice in order to avoid the invalidation of copyright where notice has been omitted under section 405(a)(2).[21]

Where registration is necessary for copyright protection in the Berne countries noted above, such formality is not applied to non-nationals of that country. Article 5(3) of the Paris revision of Berne states that "[p]rotection in the country of origin is governed by domestic law," and the Berne Convention does not preclude a member nation from imposing formalities where it is the country of origin.[22]

The fact that registration affords certain benefits would not appear to constitute an impermissible formality. In Canada, India, and Mexico, registration is evidence of the validity of the copyright.[23] In Canada, registration precludes an innocent infringement defense.[24] It has also been suggested that section 412 of the U.S. Copyright Act, which makes registration a condition precedent to an award of statutory damages and attorney's fees, would not offend Article 5(2) of the Berne Convention since the Berne Convention does not require that a country provide for such recoveries.[25]

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[19] S. Stewart, International Copyright and Neighbouring Rights 106 (1983).

[20] Gabay, The United States Copyright System and the Berne Convention, 26 Bull. Copyright Soc'y. 202, 208 (1979); accord, Note, Abandon Restrictions, All Ye Who Enter: The New United States Copyright Law and the Berne Convention, 9 N.Y.U.J. Int'l. L. & Pol. 455, 473 (1977).

[21] Gabay, supra note 20, at 208-09; accord, Nimmer, Implications of the Prospective Revisions of the Berne Convention and the United States Copyright Law, 19 Stan. L. Rev. 499, 513 (1967).

[22] S. Stewart, supra note 19, at 106 ("The country of origin may subject the work to any formalities it chooses as a matter of domestic law, but outside the country of origin the author if he is a 'Union Author' is entitled to protection in any country of the Union without any formalities."); WIPO Guide, supra note 9, at 33-35.

Uruguay and Argentina exempt foreigners from their registration requirements if they have complied with the requirements of protection in their countries of origin. However, Art. 5(2) of the Berne Convention provides that enjoyment and exercise of rights "shall be independent of the existence of protection in the country of origin of the work," and thus it is difficult to reconcile these statutes with Berne.

[23] Cf. 17 U.S.C. § 410(c).

[24] Cf. 17 U.S.C. § 405(b).

b. *Deposit*

Some Berne member countries have registration systems as noted above outside their respective copyright laws, some of which also include deposit. In addition, a number of Berne member countries require deposits for national libraries.[26]

Deposit requirements, such as those listed in the Appendix to this Chapter, while mandatory, and while subjecting a publisher to monetary penalties for noncompliance, do not affect the enjoyment or exercise of the copyright, and hence would not appear to be considered formalities.[27] Section 407 of the U.S. Copyright Act, while providing for mandatory deposit, and also subjecting the copyright owner to monetary penalties for noncompliance, expressly provides that the deposit requirement is not a condition of copyright protection. Accordingly, section 407 should not present an obstacle to U.S. adherence to Berne.

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[25] Gabay, supra note 20, at 209-10; Nimmer, supra note 21, at 514.

[26] See Appendix to this Chapter. The copyright statute of every Berne member has not been reviewed, and thus there may be other countries with deposit requirements.

[27] S. Stewart, supra note 19, at 106.

Appendix to Chapter IX
Registry and Deposit Systems of Some Berne Members

The following survey is intended to be illustrative rather than exhaustive. The countries examined were selected as having contemporary copyright laws and practices. The information about each does not necessarily include all registers and systems, but is intended to provide a sampling of systems used in developed countries.

Argentina

Under the Copyright Statute, registration, accomplished by deposit, is mandatory for published works. Under Article 57, the publisher must deposit copies of a work within three (3) months of publication. Article 61 makes deposit "compulsory for the publisher" and failure to comply is punishable by fine. Further, it is such deposit that "fully secures the rights of the author in his work and those of the publisher in his edition." (Article 62).

Article 63 provides:

> Failure to register shall result in the suspension of the rights of the author until such registration is accomplished. The rights of the author shall be recovered by the act of registration for the corresponding term and under corresponding conditions, without prejudice to the validity of the reproductions, editions, performances or any other publications made during the time the work was unregistered.

Australia

A voluntary register is maintained by the Australian Copyright Council to provide commercial information to the public with respect to books. This is designed to assist those in remote locations who otherwise would have difficulty in determining the proper seller/licensor of the desired materials.

Section 201 of the Copyright Act provides that the publisher of any "library material" (as therein defined) published in Australia and in which copyright subsists under the Act shall within one month of publication deliver a copy at its own expense to the National Library, failure to do so subjecting the publisher to a monetary fine.

Brazil

Article 17 of the Law on the Rights of Authors and Other Provisions allows for permissive registration.

Canada

The Canadian Copyright Act has a permissive registration procedure. Section 37(2) provides that the author, publisher, or owner of, or other person interested in the copyright of a work "may" cause the particulars respecting the work to be entered in the register. The statute does not provide that such registration is a condition of copyright protection or to its enforcement. However, registration does confer two advantages. Under section 36(2), a registration certificate is evidence that copyright subsists in the work and that the person registered is the owner of the copyright. Under section 22, if in an infringement proceeding the defendant alleges that he was unaware of the copyright in the work, plaintiff is limited to injunctive relief if defendant proves he was unaware of the copyright on the date of infringement and had no reasonable grounds to suspect copyright subsisted. However, if on the date of infringement the copyright was registered, the defendant shall be deemed to have had reasonable grounds for suspecting that copyright subsisted.

Because it is not used now as extensively as when it was originally created, the current copyright revision proposals recommend dismantling the procedure.

The Canadian Copyright Act does not contain a deposit provision. However, the National Library Act (R.S.C. 1970), in section 11, requires that where a book is published in Canada, the publisher, at its own expense, must deposit two (2) copies (if the retail value of the book is not more than $50.00) to the National Librarian within one week of publication. Failure to make such deposit is an offense and may result in a fine. Section 11(4).

Costa Rica

The Law on Copyright and Related Rights contains a permissive registration procedure. Article 101 provides that copyright protection originates with the mere fact of creation, independently of any procedure or formality. Article 102 provides that for greater security, the owners of copyright and related rights "may" register their works, such registration having merely declaratory effect. (Articles 106-108 set forth deposit requirements to accompany registration.)

Chile

Article 1 of the Copyright Statute provides that copyright is acquired by the sole fact of creation, but Articles 72-77 make registration (with accompanying deposit) obligatory for works and for contracts for the assignment of rights. However, Article 2 provides that the rights of foreign authors not domiciled in Chile enjoy the protection to which they are entitled by virtue of the national conventions which Chile has subscribed to and ratified.

E.E.C.

The Fifth Films Directive of the council of the E.E.C. proposes a Public Films Register designed to provide better safeguards to those who finance films. The register would record economic rights and related commercial information. It is noted that France, Belgium and Italy already have such registers. Thus, this would function as a Community-wide lien register for films.

France

The Centre National de la Cinematographie (CNC) maintains a public register with legal effect that operates not only as a lien register, but also has effect on titles, subsidies and related matters. The registration number is required for both French and foreign films in order to exhibit the film in France.

The existing collection societies for literary authors and music composers maintain deposit systems for works registered with them.

Obviously, compliance is high with registration in the public register and with registration and deposit in the voluntary collection society registries.

A deposit system for films is maintained by Cinemathèque Francaise, which is purely voluntary as to foreign films.

A proposal has been made that the public film register include television.

Germany

The censorship board maintains a film title register of titles submitted for censorship. This registry has no legal effect.

The collection societies maintain registries of their members' works, certainly at least for music and separately for sound carriers (records and tapes) and artists.

India

Chapter X of the Copyright Act, entitled "Registration of Copyright," allows for permissive registration. Pursuant to Article 44, a register is established in which works "may" be entered. Under Article 45(1), the author, publisher, owner, or other interested person "may make an application." The statute does not provide that copyright protection or the enforcement thereof are conditioned upon registration. However, under Article 48, the copyright register is prima facie evidence of the particulars entered therein, and documents purporting to be copies of any entries therein or extracts therefrom certified by the Registrar are admissible in evidence in the courts.

Mexico

The Copyright Statute allows for permissive registration. Article 7 provides that copyright protection inheres on creation and fixation. While Chapter VII establishes a registration procedure (including attendant deposit, Article 130), Article 8 provides that works remain protected even when they have not been registered. However, entries in the Register shall create the presumption that the facts and acts therein stated are correct, unless the contrary is proved. (Article 122).

Pursuant to a decree of 1965, Mexican publishers are required to send to two designated libraries two copies of each of the editions of books, periodicals, and reviews published with commercial objectives (and in certain cases if distributed gratuitously). If a publisher is in default and fails to comply within 30 days of notice, it is liable to a monetary fine.

Sweden

For printed publications, there has been a mandatory deposit requirement for national works since 1661. There are also archives for films (Swedish Film Institute), radio and television programs (Swedish Broadcasting Corporation), and audio and video (National Archives of Recorded Sound and Moving Images). Deposits in the selected depositories include all material connected with Sweden and having a special documentary character plus other desired material. Such deposits are voluntary and covered by agreements.

The recording of the deposits by the archives is in the form of an informal register.

United Kingdom

A film title registry is maintained by the British Film and Television Producers Association. A separate register is currently maintained by the Department of Trade for subsidy, screen quota and similar purposes. It is designed to record those films which can be properly designated as British and those which can not, since those which are British benefit from both the subsidy and the screen quota.

The Board of Trade registry focuses on nationality and production costs, unlike the French register, which focuses on financing, production, ownership and exhibition of French films with lesser information for foreign films.

The British Film Institute maintains a voluntary deposit system for films and generally is able to obtain copies of most British films as well as major foreign films under voluntary negotiated agreements.

Section 15 of the Copyright Act of 1911, which was not repealed by the Copyright Act of 1956 (Section 50(2)), requires the delivery of copies of books to the British Library Board. Section 15(1) provides that the publisher of every "book" (defined in subsection (7)) published in the United Kingdom shall within one month of publication deliver at its own expense a copy thereof to the British Library Board. (As of July 1, 1973, delivery is to the British Library Board instead of the British Museum, pursuant to the British Library Act of 1972.) Under Section 15(2), if written demand is made before the expiration of 12 months after publication, the publisher must also deliver within one month of receipt of demand, or if demand is made before publication, then within one month after publication, a copy of the book in accordance with the directions of the authority having control of certain designated libraries. If the publisher fails to comply, it is liable on summary conviction to a fine. Section 15(6).

Uruguay

Under the Copyright Statute, registration is mandatory. Article 6 provides that entry in the appropriate Register shall be required in order to secure protection under the law. Registration, with accompanying deposit, is to be made within two (2) years of the date of publication, exhibition, or performance, in Uruguay, or three (3) years where a Uruguayan publishes, exhibits, or performs abroad. (Article 53). However, Article 6 makes an exception for foreign works: "In the case of foreign works, it shall be sufficient to prove compliance with the requirements of their protection in the country of origin, in accordance with the laws in force therein."

However, the statute provides an exemption for foreign works. Article 13 specifically exempts Article 57 from applicability to works published in foreign countries, whatever may be the nationality of their authors, provided they belong to countries which recognize copyright. Further, Article 14 provides that in order to secure the protection of Argentine law, the author of a foreign work need only prove fulfillment of the formalities established for the protection of the work by the laws of the country in which publication took place.

Miscellaneous (General Observations)

Obviously, collective management societies, such as performing rights licensing societies, must maintain registry systems in connection with the works they represent. In Civil Law countries and those which have adopted neighboring rights legislation, there are usually a number of societies which record and register a variety of rights.

In many countries, broadcasters and telecasters are required to maintain broadcast logs and to file these with the appropriate ministries.

Deposit systems are common for printed publications (more so for books than periodicals) with the deposits being maintained by the national library. These collections have sometimes been expanded to include sound recordings and occasionally moving images. Film collections are commonly maintained by government entities and, in no case outside the United States are these mandatory for foreign works.

Where designs are considered major subjects of protection, design registries are normally maintained, with legal effect.

Chapter X
Renewal and Duration

A. Issue

Are the renewal provisions of section 304(a) and section 304(b) and the durational provisions regarding anonymous or pseudonymous works of section 302(c) of the U.S. Copyright Act compatible with the Berne Convention?

B. Conclusion

The renewal registration requirement and duration of renewed copyrights under the U.S. Copyright Act with respect to works of foreign origin are incompatible with Berne because of the imposition of formalities and a shorter than required total term.

The duration of anonymous and pseudonymous works of foreign origin under U.S. law is incompatible with Berne because those such works published more than 50 years after creation would be protected for less time than Berne requires.

C. Relevant Provisions of the Berne Convention

The provisions of the Berne Convention that will be discussed herein are as follows:

Article 5(2):

> The enjoyment and exercise of [the Berne] rights shall not be subject to any formality . . . .

Article 5(3):

> Protection in the country of origin is governed by domestic law . . . .

Article 7(1):

> The term of protection granted by this Convention shall be the life of the author and fifty years after his death.

Article 7(3):

> In the case of anonymous or pseudonymous works, the term of protection granted by this Convention shall expire fifty years after the work has been lawfully made available to the public. However, when the pseudonym adopted by the author leaves no doubt as to his identity, the term of protection shall be that provided in paragraph (1). If the author

> of an anonymous or pseudonymous work discloses his identity during the above-mentioned period, the term of protection applicable shall be that provided in paragraph (1). The countries of the Union shall not be required to protect anonymous or pseudonymous works in respect of which it is reasonable to presume that their author has been dead for fifty years.

Article 7(6):

> The countries of the Union may grant a term of protection in excess of those provided by the preceding paragraphs.

Article 18(1):

> This Convention shall apply to all works which, at the moment of its coming into force, have not yet fallen into the public domain in the country of origin through the expiry of the term of protection.

Article 18(4):

> The preceding provisions shall also apply in the case of new accessions to the Union . . . .

Article 30(1):

> [R]atification or accession shall automatically entail acceptance of all the provisions and admission to all the advantages of this Convention.

Article 36(2):

> It is understood that, at the time a country becomes bound by this Convention, it will be in a position under its domestic law to give effect to the provisions of this Convention.

D. Relevant Provisions of U.S. Law

Section 304(a) of the U.S. Copyright Act provides that if renewal registration is timely made, protection for works which were in their first term of copyright on January 1, 1978 will exist for a total term of 75 years from first copyright. If renewal registration is not properly secured, such works will fall into the public domain at the end of their twenty-eighth year.

Section 304(b) of the Copyright Act provides that the duration of any copyright in its renewal term between December 31, 1976 and December 31, 1977 or which is registered for renewal between those dates is extended so as to run for 75 years from the date the copyright was originally secured.

Section 302(c) of the U.S. Copyright Act provides that the term of anonymous and pseudonymous works runs for the shorter of 75 years from first publication or 100 years from creation. If before the end of that term, the author's identity is revealed in Copyright Office records, the term will revert to the revealed author's life plus 50 years.

E. Discussion

Two provisions of Berne seem to be at odds with the renewal provisions contained in section 304(a) of the U.S. Copyright Act. The most obvious conflict is with Article 7(1). Since all works not written anonymously or under a pseudonym that were in their first term of copyright on January 1, 1978, even if renewed, generally will have a total term of protection of 75 years from first copyright, the duration afforded by the U.S. Copyright Act seems to be an obstacle to Berne, inasmuch as in many cases a term of protection at least equal to life-plus-fifty will not exist. Despite the fact that we are in compliance with the Berne copyright term now with respect to works created since January 1, 1978, read together, Articles 18 and 36 of Berne nevertheless seem to command a strict adherence to the Article 7(1) durational requirement for prior works. This requirement is also thwarted by section 304(b) which gives 19 extra years of protection to works which were in their renewal term or for which renewal registration was made in the year prior to the effective date of the copyright law. The 75-year total term for these works may still result in a shorter term of protection than Berne demands.

Second, even if 75 years from first copyright would equal or exceed a term of protection measured by the author's life plus fifty years, the formality of mandatory registration in order to acquire the renewal term at the risk of losing copyright protection violates the prohibition of Article 5(2). Inasmuch as Article 18(1) of Berne brings existing copyrighted works under the Convention, all first-term copyrights would automatically be embraced. As such, the renewal registration requirement, as well as the possible shorter duration for this group of covered works, would constitute barriers to our accession, since, although such works are subject to Berne, U.S. law imposes criteria for their continued protection, forbidden by Article 36(2).

However, since Article 5(3) of Berne provides that domestic law controls works in the country of origin, the seeming conflicts with the Convention do not act as impediments to accession with respect to U.S. works.[1] For a discussion as to whether the provisions of Berne Article 18(3) might be interpreted to make renewal registration and shortened duration compatible with the Convention, see Chapter XI, Retroactivity.

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[1] See Foreword.

With respect to anonymous and pseudonymous works, comparison of section 302(c) of the U.S. Copyright Act and Article 7(3) of Berne reveals that Berne provides for a 50 year duration following public availability (rather than "publication," to account for works disseminated by a public authority, such as folklore, but the distinction is not significant enough in the context of this discussion to be relevant) with the shorter life-plus-fifty term when it is clear who is using the pseudonym or the author reveals himself within 50 years of public availability. U.S. law only gives a term of the shorter of 75 years from first publication or 100 years from creation and reverts back to life-plus-fifty if the author is revealed in Copyright Office records before the term expires.

Because of the 25-year differential between the creation and publication date reference points in the law and the same differential between the U.S. law's publication date reference and Berne's public availability time frame, a significant number of works are likely to end up with a longer term in the U.S. than under Berne, if the facts allow. For example, an anonymous work created in 1980 which is published in 1985 will have its copyright protection under U.S. law expire in 2060; under Berne, the copyright would expire in 2035. This pattern is true with respect to works published less than 50 years after their creation. This result presents no problem, since the Berne term is a minimum requirement.

However, there will likely be a body of works whose dates of creation and publication in the U.S. could cause them to have a shorter term than Berne, thus being in contravention of Article 7(3). If a work created in 1980 was not published until 2035, the Copyright Act would cause protection to end in 2080 (100 years from creation being shorter than 75 years from publication); Berne, however, would protect it until 2085, 50 years after publication, assuming that the work was not previously publicly available. Given this possibility, the law as it now reads constitutes an impediment to Berne as regards this group of works when they are of foreign origin, since again, Articles 18 and 36 would command a strict adherence to the fifty years after public availability term at the date of accession for all works. As previously indicated, the shorter term resulting in these cases would not be an impediment to Berne with respect to U.S. works, by virtue of the provisions of Article 5(3).

Chapter XI
Retroactivity

A. Issue

1. Is U.S. treatment of pre-accession works that have not yet fallen into the public domain in their country of origin through the expiration of the term of protection compatible with Article 18 of the Berne Convention?

2. Do the retroactivity provisions of Article 18 provide a possible basis for reconciling section 304[1] of the U.S. Copyright Act (requiring *renewal* of certain pre-1978 works) with other provisions of the Berne Convention?

B. Conclusion

1. The retroactivity provisions of the Berne Convention are clearly an issue to be addressed in connection with Berne accession. Because it initially appears to focus on whether a work is or is not in the public domain in its country of origin, the Berne Convention may require some "revival" or "recapture" of copyright in works now in the public domain in this country. To the extent it does so, questions of practical, legal and perhaps even constitutional dimension are raised.

a. In any event, the relevant provisions of the Convention, taken together, seem to offer sufficient flexibility to reach an accommodation with U.S. law and interests. The details of this accommodation, including several alternatives, require more detailed consideration.

b. However, in view of current initiatives to improve protection of U.S. intellectual property abroad, and the handling in that context of certain issues pertaining to retroactive protection of U.S. works in particular countries, the Berne retroactivity issue must be carefully handled to avoid prejudicing or compromising meaningful protection of U.S. works from foreign piracy.

2. Article 18(3) (second sentence) of the Berne Convention may provide a basis for reconciling, as a special transitional case, the re-

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[1] Although Chapter X, supra, discusses possible conflicts between 17 U.S.C. § 304 (*Renewals*) and the Berne Convention, this chapter will also deal with one aspect of that question.

newal requirements of 17 U.S.C. section 304 with the normal Berne requirements governing duration and precluding formalities.[2]

C. Relevant Provisions of the Berne Convention

Article 18 of the Berne Convention provides:

> (1) This Convention shall apply to all works which, at the moment of its coming into force, have not yet fallen into the public domain *in the country of origin* through the expiry of the term of protection.
> (2) If, however, through the expiry of the term of protection which was previously granted, a work has fallen into the public domain of the country where protection is claimed, that work shall not be protected anew.
> (3) The application of this principle shall be subject to any provisions contained in special conventions to that effect existing or to be concluded between countries of the Union. In the absence of such provisions, the respective countries shall determine, each insofar as it is concerned, the conditions of application of this principle.
> (4) The preceding provisions shall also apply in the case of new accessions to the Union and to cases in which protection is extended by the application of Article 7 or by the abandonment of reservations.[3]

D. Relevant Provisions of U.S. Law

There are no explicit retroactivity provisions of general application in the U.S. Copyright Act. However, section 103 of the Transitional and Supplementary Provisions of P.L. 94-553,[4] enacting the Omnibus Copyright Revision Act of 1976, provided that that Act "does not provide protection for any work that goes into the public domain before January 1, 1978." Additionally, possibly pertinent provisions of the U.S. Constitution and legislative history of the 1976 Act are noted in the discussion below.

E. Discussion

1. *The Initial Principle*

Articles 18(1) and (4) appear to require a newly adhering country to apply the Convention, and hence protect, "all works which [then] have not yet fallen into the public domain *in [their] country of origin* through the expiry of the term of protection."[5] This principle is substantially different from the retroactivity rule of the Universal Copyright Convention, which determines a new adherent's obligations with respect to pre-existing works by considering their status in that country.[6]

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[2] See infra note 23 and accompanying text. Cf. supra Chapter X.

[3] Emphasis added.

[4] Pub. L. No. 94-553, § 103, 90 Stat. 2541 (1976).

[5] The "country of origin" is, generally, a *Berne* country of first or simultaneous publica-

There are a number of cases where works may be protected in their Berne country of origin at the time of U.S. adherence, yet be in the public domain in the United States. Strict application of Articles 18(1) and (4) would therefore appear to require their "recapture" or "renewal" from the public domain in this country. These cases may include the following classes:[7]

a. Published works that did not meet the national eligibility requirements of the 1909 or 1976 Copyright Acts upon first publication. (This would include foreign works first or simultaneously published in a Berne country or, in some cases, of a Berne national wherever published, where the Berne country was not also a UCC member or in another copyright relationship with the U.S., or publication occurred prior to the UCC or other relationship.)

b. Works, other than those subject to *ad interim* copyright, first published outside of the U.S. without notice prior to January 1, 1978 (unless omission was excused under the 1909 Act).[8]

c. Works first or subsequently published within the United States without notice prior to January 1, 1978 (unless omission was excused under the 1909 Act).

d. Works published on or after January 1, 1978 and prior to Berne adherence, other than in compliance with the notice provisions of 17

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tion. See supra Foreword.

[6] Uniform Copyright Convention, Art. VII.

[7] There may be an additional class: once-protected works which entered the public domain in the U.S. *prior to adherence for failure of renewal.* These would seem to be *exempt from retroactivity* and recapture under Berne Art. 18(2). (Note: this is *separate* from the question of whether existing renewal requirements (17 U.S.C. § 304) could be applied to Berne origin works after adherence. See Chapter X.) *But* arguments may be made that an "expiry of . . . term of protection which was previously granted" (Art. 18(2)) did not contemplate an "expiry" attributable to the failure to take an action (i.e., file a renewal) as opposed to the automatic expiration of a single term of years—particularly where the need for action was unknown to the foreign creator and/or ignored or "mishandled" by its domestic licensee, and is alien to Berne and virtually all other foreign copyright laws.

Another case for possible consideration under Article 18 is that of categories of works, *if any*, "protected" under Berne Article 2(1) but possibly "not protected" under the 1976 and/or 1909 U.S. Acts. It seems most appropriate to treat these issues, if at all, in connection with subject matter rather than retroactivity. See infra Chapter XIII.

[8] It is unclear whether such works did in fact enter the public domain in the U.S. Case law is conflicting. A Copyright Office position that such publication—at least after June 18, 1959—did forfeit U.S. protection is open to substantial question and has not been tested.

U.S.C. ch. 4, where such omission is not excused and can no longer be cured.

e. Works published prior to January 1, 1978, in violation of the domestic manufacturing and *ad interim* provisions of the 1909 Act. (This includes Commonwealth and other English language works published prior to UCC adherence, notwithstanding the existence of earlier bilateral relationships.)[9]

The magnitude of works falling within these classes is unclear—the first and fifth classes, for example, could be of broad theoretical but quite limited practical application. It may also be argued that public domain works falling within these classes but *first published prior to 1958*[10] are not subject to recapture in any event, because (i) any possible U.S. copyright therein would have expired by passage of the first 28 year term and failure of renewal; and (ii) in such cases Berne Article 18(2)—exempting retroactive protection of works whose prior terms of copyright have expired in the forum country—excludes retroactivity. However, the application of Article 18(2) to such circumstances does not appear to have been previously discussed and is not entirely clear in any event (e.g., because the Copyright Office would not have knowingly permitted renewal, or may have actually rejected a claim.)[11]

It may also be noted that, while prior discussions of Berne retroactivity have focused on recapturing "foreign" works from the public domain, the application of Article 18(1) to public domain *U.S. authored works* (i) first published in the U.S., (ii) first published in a Berne country, and (iii) simultaneously published in the U.S. and a Berne country, should not be dismissed and may well call for further study.[12]

To the extent that Article 18(1) does call for the recapture of works from the public domain in this country, it raises several questions:

a. The treatment to be given entirely new post-adherence uses of previously public domain works.

b. The treatment to be given post-adherence exploitation (reproduction, adaptation, performance, display, and distribution) of copies that (i) were created earlier; and (ii) incorporated, without authorization, a pre-existing work considered to be in the public domain at that time.[13]

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[9] It is unclear whether such "violations" did inject works into the public domain in the U.S. A Copyright Office position to that effect is open to substantial question and has not been squarely tested.

[10] This is based on a 1986 adherence (1958 + 28 = 1986). A later adherence would move this date forward. Because of the effects of UCC adherence, this argument would substantially diminish the number of works falling within the first and fifth classes.

[11] See also supra note 1.

[12] Compare, e.g., Berne Convention Art. 18(1) with Art. 5(4), and Arts. 5(3) with 7(8). See also infra note 25.

c. The identification of works still protected in a Berne "country of origin," the identification of that country, and whether the term of protection there has expired.[14]

d. Possible constitutional obstacles to reviving copyright for works previously in the public domain.[15]

e. Amendment of Trans. & Supp. section 103 of the 1976 Copyright Act[16] and adjustment of other provisions.[17]

f. To the extent that U.S. law is amended to increase protection in compliance with Berne obligations, the extension of such new protections to pre-existing (though not public domain) works.

2. *Qualifications and Exceptions*

It is significant that the Convention itself qualifies the initial principle in several respects.

First, Article 18(2) excludes protection of works that have entered the public domain *in the country where protection is claimed* (i.e., in our case, the U.S.) "through the expiry of the term of protection which was previously granted." The application of this exception to works which have entered the public domain in the U.S. for failure of renewal or expiration of 28 years from first publication has previously been noted.[18] A more sweeping application of this exception was suggested during a June 1978 meeting of a "Group of Consultants" convened by WIPO "to examine the compatibility of the new Copyright Law of the United States . . . with the Berne Convention . . . ."[19] It was there noted that prior to January 1, 1978, all *unpublished* works were protected in the United States under the common law without regard to nationality.[20] Therefore, there was a "term of protection which was previously granted" to all such works that "expired" at the moment they were published without complying with U.S. formalities, manufacturing provisions, or national eligibility requirements. Under this theory, the retroactivity principle would not require the recapture of *any* works from the U.S. public domain. While some have informally suggested that the history of the Berne Convention and the at least implicit focus of international agreements on the protection of published works do not support this theory, a substantial body of opinion at the 1978 meeting suggested that, if the U.S. interprets Article 18(2) in this manner, any inconsistency between current United States law and the Berne Convention with respect to retroactivity would be effectively removed.

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[13] This includes simple reproductions, as well as literary translations, musical arrangements and recordings, dramatizations and other adaptations; and uses—e.g., in an anthology or a motion picture soundtrack—in a larger work.

[14] See Berne Convention Art. 5(4). In this connection it should be recalled that, not only do the terms of protection vary among Berne members, but works may acquire protection in a particular Berne country of origin by reason of the place of first or simultaneous publication—the nationality of a work's author or producer, even if known, is not a sufficient guide. See supra Foreword.

[15] See, e.g., 1 M. Nimmer, Nimmer on Copyright, § 105[A] (1984) ("[N]either the copyright clause nor the First Amendment would permit the granting of copyright to works which have theretofore entered the public domain."); see also H.R. Rep. No. 1476, 94th Cong., 2d Sess. 180 (1976) and S. Rep. No. 473, 94th Cong., 1st Sess. 159 (1975) ("[T]here *can be no* protection for any work that has fallen into the public domain . . . .") This is perhaps a more emphatic statement than appeared in the Register of Copyrights' 1965 Supplementary Report, quoted at S. Rep. No. 473, 94th Cong., 1st Sess. 160.

A cursory review of authorities does not indicate any express consideration of a possible difference between "reviving" copyright in previously published (or registered) works, and those which never acquired statutory protection.

[16] Pub. L. No. 94-553, § 103, 90 Stat. 2541 (1976) ("This Act does not provide copyright protection for any work that goes into the public domain before January 1, 1978.")

[17] E.g., 17 U.S.C. §§ 303, 304; Ch. 4; etc.

Second, under the first sentence of Article 18(3) the application of Article 18(1) is expressly made "subject to any provisions contained in special conventions . . . between countries of the Union." During the 1978 Geneva meeting referred to above it was suggested that this clause may be construed to include the Universal Copyright Convention, which—as noted above[21]—excludes protection of works in the public domain in the country in which protection is claimed.[22] Under this theory, any Berne country that is also a member of the UCC may be said to have concluded a special convention with the United States, varying the principle of Article 18(1). Although not discussed at that meeting or explored since, it may be argued that a similar conclusion may be "implied" with the three non-UCC Berne countries with which the U.S. shares earlier bilateral arrangements (Philippines, Rumania, South Africa), Nevertheless, the United States would still be left to consider special agreements with those 23 or so Berne countries that are not members of the UCC or in a prior bilateral status.

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[18] See supra text accompanying note 7.

[19] BE/GC/I June 14, 1978 ¶ 1. The following interpretation is not reflected in the official documents of the meeting, and is based on participation in and recollection of that meeting by one of the authors of this Report.

[20] See, e.g., Roberts v. Petrova, 213 N.Y. Supp. 434 (Sup. Ct. 1925).

[21] See supra text accompanying note 7.

[22] See supra note 19. (Although Article 20 of the Berne Convention permits "special agreements" in *any* case, these must either (a) grant more extensive rights than the Convention or (b) at least not be contrary to the Convention. However, Article 18(3) arguably supersedes these conditions for the purpose of retroactivity. Moreover, Article 20 would seem to be helpful in avoiding any argument that the UCC is an "agreement" varying Berne (and hence diminishing protection of U.S. works abroad) in cases *other than* retroactivity.

Third, under the second sentence of Article 18(3), countries are left to "determine, each insofar as it is concerned," the conditions under which retroactivity is to be applied. The exact scope of discretion given by this clause is uncertain; several views have been expressed by commentators, including:[23]

a. That, as a matter of Convention theory and/or actual practice of Berne countries, it is permissible to abrogate the principle of retroactivity entirely; or

b. That a country must give some reasonable application to the principle of Article 18(1) by protecting at least some pre-existing works];[24] or

c. That a country can modify the principle of Article 18(1) to the extent necessary to "protect" those who acted in reliance on the assumed or earlier public domain status of a work, whether by legislation or by judicial consideration in particular cases.

Finally, additional arguments may be made to avoid retroactivity. For example, Article 7(8) states, "In any case, the term [of protection] shall be governed by the legislation of the country where protection is obtained." In the five classes noted earlier, the "term" of protection in the forum country—the U.S.—may be "zero."

Although there does not appear to be any recent comprehensive study of how other newly adhering Berne countries have treated the question of retroactivity, earlier commentators have suggested that the practices have varied widely or been left to silence.

3. *Additional Considerations*

It is apparent that the interests of U.S. copyright owners cannot be simply aligned "for" or "against" retroactivity. In some cases, domestic interests may benefit from retroactivity, as owners or licensees of newly recognized exclusive rights; in others, where works have previously been used without authorization, retroactivity could be a hindrance to continued exploitation and may impair prior investments. Consideration of industry trends and practices (including those pertaining to the extent of clearing rights in U.S. public domain works for the purpose of foreign exploitation) would be pertinent.

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[23] The "self determination" clause of Article 18(3) has been particularly noted as a basis for preserving—as a special transitional case—the renewal requirements of 17 U.S.C. § 304, notwithstanding the general Berne rules on duration, formalities, and retroactivity. Cf. Chapter X.

[24] One class of pre-existing Berne-origin works that clearly remains protected under current U.S. law is that of unpublished works, at least if not registered under the 1909 Act. See Roberts v. Petrova, 213 N.Y. Supp. at 434; 17 U.S.C. § 104(a); 17 U.S.C. § 303.

Retroactivity may also not simply be a question of recapturing copyrights in this country. Upon adherence, Article 18(1) could[25] lead to the revival of copyright in U.S. works now in the public domain in Berne countries (e.g., countries not sharing prior copyright relationships with the U.S.; or even Commonwealth and other countries with which the U.S. did have bilateral relations with respect to works not meeting pre-UCC place-of-publication requirements or other formalities). The U.S. attitude toward application of the retroactivity principle to foreign works in the U.S. can affect the treatment of U.S. works now in the public domain in Berne countries.

A recent development pertaining to "retroactive" protection of U.S. works abroad must be particularly noted. Under the impetus of several diplomatic and trade initiatives, including the Generalized System of Preferences Renewal Act, the International Trade and Investment Act of 1984, and the Caribbean Basin Economic Recovery Act, major efforts are now under way to improve protection of U.S. intellectual properties in foreign countries. In several countries that have not previously protected U.S. works, assurance of "retroactive" protection for pre-existing U.S. works is an important objective; this is particularly true for those interests, including textbook, professional and reference, and software authors and publishers, who regularly revise or enhance their products. In these cases an absence of retroactive protection could lead to newly protected versions being unfairly crowded out of the market by rampant piracy of public domain (albeit relatively current) editions. Creators of "new" works—trade books, motion pictures, and music, for example, will also face unfair competition from pirated public domain works of the same genre. These considerations must be taken into account in further consideration of the question of retroactivity as it applies to U.S. adherence to the Berne Convention.

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[25] Notwithstanding the assumptions of some commentators that this would follow, the literal text of Articles 5, 7 and 18 of the Berne Convention appear to raise some question as to this result. This is textually related to the question of Article 18(1)'s application to U.S.-authored works in this country, see supra notes 12-17 and accompanying text, and both should be considered further.

Chapter XII

Is Berne a Self-Executing or an Executory Treaty?

A. Issue

Is the Berne Convention a "self-executing" treaty whose provisions, therefore, would automatically become law in the United States upon its accession to the Convention? Or is Berne an "executory" treaty which would not, of itself, give rise to rights or rights of action in the U.S.?

B. Conclusion

If ratified by the United States, the Berne Convention would not be a self-executing treaty in this country. The protection it stipulates for authors and their successors could only be enforced here to the extent provided by existing U.S. law or by further legislation Congress enacted to implement ratification of the Convention.

C. Relevant Provisions of the Berne Convention

Berne does not contain any statement that it is a self-executing convention. Instead, Article 36 provides:

> (1) Any country party to this Convention undertakes to adopt, in accordance with its constitution, the measures necessary to ensure the application of this Convention.
> (2) It is understood that, at the time a country becomes bound by this Convention, it will be in a position under its domestic law to give effect to the provisions of this Convention.

This Article was added "during the (1967) Stockholm revision." Previously, Berne required new members to "make provision for the legal protection of the rights forming the object of the [C]onvention." Article 36 was adopted to state expressly "that all Union countries, not only those joining, must adopt measures necessary to insure its application."[1]

Also relevant is Article 2, paragraph 6, which provides

> The works mentioned in this Article shall enjoy protection in all coun-

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[1] World Intellectual Property Organization, Guide to the Berne Convention for the Protection of Literary and Artistic Works (Paris Act 1971) 141 (1978) [hereinafter cited as WIPO Guide].

> tries of the Union. This protection shall operate for the benefit of the author and his successors in title.

This provision was added by the 1948 Brussels Revision of Berne. The *WIPO Guide* says that earlier Berne texts only provided that member countries "were bound to make provision for the protection of works," but that the 1948 text "provided for a protection founded on the Convention itself."[2] In many countries, ratification incorporates a treaty into its domestic law. When such a country ratifies Berne, "the Convention becomes part of that country's law." Thus if the Convention's "wording is apt to confer rights directly, individuals may bring action based on the Convention itself to enforce them. The Brussels wording (particularly in the French text—'jouissant') has this result."

The *WIPO Guide* declares, however, that in other countries, including those following the British tradition, ratification "does not make any difference to individual rights enjoyed there." In those countries the Convention must be implemented by domestic legislation and

> [i]t is that legislation, and not the Convention itself, that gives Convention nationals the right to sue in their courts. The change in wording made in Brussels (1948) made no difference in such countries; the matter is governed by each country's constitutional rules.[3]

D. Relevant Provisions of U.S. Law

Article VI, paragraph 2, of the United States Constitution provides:

> This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land . . . .

Article II, section 2, clause 2, provides that the President

> shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two thirds of the Senators present concur . . . .

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[2] Id. at 21.

[3] Id.

E. Discussion

1. *Distinction Between "Self-Executing" and "Non-Self-Executing" Treaties*

The distinction between "self-executing" and "non-self-executing" (or "executory") treaties is explained in *Whitney v. Robertson*:

> A treaty is primarily a contract between two or more independent nations . . . . For the infraction of its provisions a remedy must be sought by the injured party through reclamations upon the other. When the stipulations [of the treaty] are not self-executing, they can only be enforced pursuant to legislation to carry them into effect . . . . If the treaty contains stipulations which are self-executing, that is, require no legislation to make them operative, to that extent they have the force and effect of a legislative enactment.[4]

As the Third Circuit Court of Appeals has noted, "unless a treaty is self-executing, it must be implemented by legislation before it gives rise to a private cause of action."[5] Non-self-executing treaties depend for their enforcement on "the honor of the governments which are parties to it." If a government fails to implement such a treaty with the legislation required to protect private rights, as stipulated by the treaty, "it becomes the subject of international negotiations . . . it is obvious that with all this the judicial courts have nothing to do and can give no redress."[6]

However, "[c]ourts are empowered to give direct legal effect to treaties only insofar as they are self-executing and therefore operate as the law of the land."[7]

2. *Determination of a Treaty's Status*

"[W]hether a given treaty is self-executing or requires special implementing legislation to give force and effect to its provisions *is primarily a domestic question of construction for the courts*."[8]

Whether a treaty is or is not self-executing

> [m]ust be determined in each case by reference to many contextual fac-

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[4] 124 U.S. 190, 194 (1888), quoted in British Caledonian Airways v. Bond, 665 F.2d 1153, 1159 (D.C. Cir. 1981).

[5] Mannington Mills, Inc. v. Congoleum Corp., 595 F.2d 1287, 1298 (3d Cir. 1979).

[6] Head Money Cases, 112 U.S. 580, 598-99 (1884).

[7] Hopson v. Kreps, 622 F.2d 1375, 1380 (9th Cir. 1980) (citations and authorities omitted).

[8] British Caledonian Airways v. Bond, 665 F.2d at 1160 (emphasis added) (citing Diggs v. Richardson, 555 F.2d 848, 851 (D.C. Cir. 1976) and Restatement (Second), Foreign Relations Law of the United States, § 154 (1965)).

> tors: the purposes of the treaty and the objectives of its creators, the existence of domestic procedures and institutions appropriate for direct implementation, the availability and feasibility of alternative enforcement methods, and the immediate and long-range social consequences of self- or non-self-execution.[9]

3. *The Berne Convention is Not a Self-Executing Treaty*

It can be argued that given the statutory scheme of copyright in the United States, with section 301 of the U.S. Copyright Act providing that all rights "within the general scope of copyright" shall be "governed exclusively by this title," Berne cannot be deemed self-executing under various of the cited United States judicial principles, which determine if it has that status here. In several instances, for example, there do not exist "domestic procedures . . . appropriate for direct implementation." On the contrary, several direct "procedures" provided in incompatible provisions of the U.S. Copyright Act, would not be "appropriate for direct implementation." Because both Berne and the U.S. Copyright Act contain so many detailed provisions that give rise to private rights of action (and, sometimes, criminal penalties), it appears that the "social consequences" of self-execution would be unacceptable under U.S. principles of construction.[10]

But it is not necessary to evaluate these various criteria in depth since a rule of construction applied in recent decisions seems to answer directly the question of whether Berne is a self-executing treaty. Where a treaty "expressly provide(s) for legislative action" it is not self-executing.[11]

Following this canon of construction, the Third Circuit in *Mannington Mills, Inc. v. Congoleum Corp.* held that the 1883 Paris Convention for the Protection of Industrial Property, as amended, was not a self-executing treaty, because

> we find [in the Convention] an expression [Article 17] contrary to the concept of a private right of action. It reads:
>
> "Every country party to this convention undertakes to adopt, in

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[9] People of Saipan v. Dept. of Interior, 502 F.2d 90, 97 (9th Cir. 1974) (authorities omitted).

[10] Cf. United States v. Postal, 589 F.2d 862, 877 (5th Cir. 1979); The Over the Top, 5 F.2d 838, 845 (D.C. Conn. 1925).

[11] United States v. Postal, 589 F.2d at 876, citing as an example Articles 27-29 of the Convention on the High Seas "each of which begins with the preamble 'Every State shall take the necessary legislative measures to . . . .' "

> accordance with its constitution, the measures necessary to insure the application of this Convention."
>
> "It is understood that at the time an instrument of ratification or accession is deposited on behalf of a country, such country shall be in a position under its domestic law to give effect to the provisions of this Convention." [1962] 13 U.S.T. 1, 41.[12]

The first of these paragraphs is identical with paragraph (1) of Berne's Article 36. The second paragraph is identical, except for a minor change in wording, with paragraph (2) of Article 36. Applying the court's analysis in *Mannington Mills*, it follows that under U.S. law Berne is a non-self-executing treaty, and does not give rise to any private rights of action. While the *WIPO Guide* interprets the 1948 (Brussels) Article 2(6) to provide "for a protection directly founded on the Convention itself," there is no explicit statement to that effect in Berne. On the other hand, Article 36, containing the provisions for domestic legislative action identical to those relied on in *Mannington Mills*, was written into the Convention in 1967.

Even if there were any doubt about Berne's non-self-executing status in the United States, it could be resolved by a Senate statement of intent that Berne is not to be construed as self-executing in the U.S. Professor Henkin observes:

> Legal effect has been given, however, to incidental provisions in a treaty (or in Senate reservations upon consenting to it) which themselves contain no international obligations, for example, a provision that a treaty shall not be self-executing in the United States . . . .[13]

Such a statement is not a "reservation" of the kind inhibited by Article 30. As the *WIPO Guide* emphasizes, the determination of whether Berne is a self-executing treaty in a given member country is a "matter governed by [that] country's constitutional rules." And as Professor Henkin notes, a Senate "reservation" negating self-executing status for Berne in the U.S. would not impair the U.S. obligations under the Convention; it would effect only a matter of domestic law, to be determined by U.S. courts.

For the reasons indicated, we conclude that Berne is a non-self-executing treaty.

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[12] 595 F.2d at 1298-99.

[13] L. Henkin, Foreign Affairs and the Constitution 160 (1972).

Chapter XIII
Subject Matter

A. Issue

Are the provisions under the U.S. Copyright Act for subject matter protected compatible with the Berne Convention?

B. Conclusion

We conclude that:

(1) With respect to works of foreign origin, the provisions under United States law for subject matter protected are compatible with the Berne Convention, with the apparent exception of

(a) buildings and other works of architecture;

and the possible exception of

(b) mask works for semiconductor chips; and

(c) those works of applied art whose artistic features are not separate from, and independent of, the utilitarian aspects of a useful article.

(2) With respect to all works of U.S. origin, United States law is compatible.

C. Relevant Provisions of the Berne Convention

The provisions most relevant are Articles 1, 2 and 7(4).

Article 1 provides:

> The countries to which this Convention applies constitute a Union for the protection of the rights of authors in their literary and artistic works.

Article 2 provides:

> (1) The expression "literary and artistic works" shall include every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression, such as books, pamphlets and other writings; lectures, addresses, sermons and other works of the same nature; dramatic or dramatico-musical works; choreographic works and entertainments in dumb show; musical compositions with or without words; cinematographic works to which are assimilated works expressed by a process analogous to cinematography; works of drawing, painting, architecture, sculpture, engraving and lithography; photographic works to which are assimilated works expressed by a process analogous to photography; works of applied art; illustrations, maps, plans, sketches and

> three-dimensional works relative to geography, topography, architecture or science.
>
> (2) It shall, however, be a matter for legislation in the countries of the Union to prescribe that works in general or any specified categories of works shall not be protected unless they have been fixed in some material form.
>
> (3) Translations, adaptations, arrangements of music and other alterations of a literary or artistic work shall be protected as original works without prejudice to the copyright in the original work.
>
> (4) It shall be a matter for legislation in the countries of the Union to determine the protection to be granted to official texts of a legislative, administrative and legal nature, and to official translations of such texts.
>
> (5) Collections of literary or artistic works such as encyclopaedias and anthologies which, by reason of the selection and arrangement of their contents, constitute intellectual creations shall be protected as such, without prejudice to the copyright in each of the works forming part of such collections.
>
> (6) The works mentioned in this Article shall enjoy protection in all countries of the Union. This protection shall operate for the benefit of the author and his successors in title.
>
> (7) Subject to the provisions of Article 7(4) of this Convention, it shall be a matter for legislation in the countries of the Union to determine the extent of the application of their laws to works of applied art and industrial designs and models, as well as the conditions under which such works, designs and models shall be protected. Works protected in the country of origin solely as designs and models shall be entitled in another country of the Union only to such special protection as is granted in that country to designs and models; however, if no such special protection is granted in that country, such works shall be protected as artistic works.
>
> (8) The protection of this Convention shall not apply to news of the day or to miscellaneous facts having the character of mere items of press information.

Article 7 provides:

> (4) It shall be a matter for legislation in the countries of the Union to determine the term of protection of photographic works and that of works of applied art in so far as they are protected as artistic works; however, this term shall last at least until the end of a period of twenty-five years from the making of such a work.

D. Relevant Provisions of U.S. Law

The most relevant provisions of U.S. law are:

1. The following sections of the U.S. Copyright Act:[1]

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[1] 17 U.S.C. §§ 101-810 (1982).

Section 101 (definitions of "pictorial, graphic, and sculptural works" and "useful article");

Section 102 (subject matter of copyright: in general);

Section 103 (compilations and derivative works);

Section 104 (a) and (b)(1) (subject matter of copyright: national origin [as to works of foreign governments]); and

Section 113 (scope of exclusive rights in pictorial, graphic, and sculptural works);

2. The Semiconductor Chip Protection Act;[2]
3. The design provisions of the patent law;[3]
4. Section 43(a) of the Lanham Act;[4] and
5. Trademark and unfair competition principles under state statutes and common law.

E. Discussion

1. *Generally*

The requirement of Berne Articles 1, 2(1) and 2(6) that members protect "literary and artistic works"[5] is generally complied with by the breadth of 17 U.S.C. sections 102 and 103. Our requirement of tangible fixation is permitted by Article 2(2), and the requirement of originality is also compatible with Berne.[6]

2. *Works of Foreign Governments*

Under 17 U.S.C. section 105, U.S. Government works are not copyrightable. But section 104(b)(1) protects published works of foreign governments which are parties to a copyright treaty to which the U.S. is also a party, and section 104(a) protects their unpublished works (along with the unpublished works of all others). Thus, we would comply with the implied requirement of Article 2(4) for protection of "official texts" other than those of purely a legislative, administrative or legal nature.[7]

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[2] 17 U.S.C. §§ 901-914 (Supp. 1985).

[3] 35 U.S.C. §§ 171-173.

[4] 15 U.S.C. § 1125(a).

[5] Berne Convention Art. 1; i.e., inclusive of "every production in the literary, scientific and artistic domain" (Art. 2(1)).

[6] Cf. the Berne references to "original works" (Art. 2(3)) and "intellectual creations" (Art. 2(5)). See World Intellectual Property Organization, Guide to the Berne Convention for the Protection of Literary and Artistic Works (Paris Act 1971) 17, ¶ 2.8 (WIPO 1978) [hereinafter cited as WIPO Guide].

[7] See WIPO Guide, supra note 6, at 20, ¶ 2.18.

3. *Computer Programs and Data Bases*

Our protection of computer programs and data bases as "literary works" under 17 U.S.C. section 102(a) is compatible with the broad application, mentioned above, of "literary and artistic works"[8] under Berne to include "every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression."[9] Such protection is consistent also with a consensus on the applicability of copyright law to computer programs.[10]

4. *Mask Works for Semiconductor Chips*

We protect "mask works" for semiconductor chips under the Semiconductor Chip Protection Act,[11] legislation separate from the U.S. Copyright Act. The SCPA provides a *sui generis* form of protection similar to copyright. If mask works were considered to be works of applied art, within the Berne category of "literary and artistic works," our protection of mask works would not be compatible with Berne. The reasons for incompatibility would include the requirement of registration as a condition of protection[12] and the limited ten-year term of protection.[13] It is not at all clear, however, that mask works are eligible for protection under Berne.[14]

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[8] Berne Convention Art. 1.

[9] Berne Convention Art. 2(1).

[10] Report of the Group of Experts on the Copyright Aspects of the Protection of Computer Software (2/25 - 3/1/85), 21 Copyright 146 (1985); Keplinger, Legal Protection for Computer Programs: A Survey and Analysis of National Legislation and Case Law, UNESCO/WIPO/GE/CCS/2 (12/17/84).

[11] 17 U.S.C. §§ 901-914 (Supp. 1985) [hereinafter cited as SCPA]. See also Budd, The Semiconductor Chip Protection Act of 1984: The Shape of Things to Come? 10 Colum.-VLA J.L. & Arts 309 (1986).

[12] 17 U.S.C. §§ 904(a) & 908(a).

[13] 17 U.S.C. § 904(b).

[14] There is as yet no international consensus on whether mask works will be protected under domestic copyright laws and, therefore, under international copyright treaties, such as Berne. Such evidence as there is on the question is inconsistent.

For instance, in petitions brought before the Commissioner of Patents and Trademarks pursuant either to section 902 or section 914 of the SCPA, seeking interim protection for mask works, the United Kingdom, Australia and the Netherlands have asserted that their copyright laws provide protection equivalent to that provided by the SCPA (see 50 Fed. Reg. 24,666 (June 12, 1985); 50 Fed. Reg. 25,665 (June 12, 1985); and 50 Fed. Reg. 24,795 (June 13, 1985), respectively) and, in a similar petition, Sweden has stated that its current law might provide adequate protection (see 50 Fed. Reg. 18,720 (May 2, 1985)).

On the other hand, having concluded that integrated circuits are not dealt with in the United States or Japan as "works eligible for copyright protection," so that "from a legal point of view, a new treaty is necessary," Committee of Experts on Intellectual Property in Respect of Integrated Circuits: Memorandum of the Director General, WIPO/IPIC/CE/1/2 (June 28, 1985). WIPO has proposed a Draft Treaty on the Protection of Intellectual Prop-

5. *Works Relating to Architecture*

Article 2(1) requires protection for three categories of works related to architecture:

> (a) "works of . . . architecture" (which we generally do not protect);
>
> (b) "illustrations . . ., plans [and] sketches . . . relative to . . . architecture" (which we do protect); and
>
> (c) "three-dimensional works relative to . . . architecture" (which, as embracing architectural models, we protect; but, as embracing the architect's final product (the buildings or other structures), we do not protect, except for certain "monuments").

"Works of . . . architecture" have constituted a category of protected works under Berne since the Berlin version of 1908.[15] The original Berne Convention (1886) did not include "works of architecture," but did include "plastic works relative to . . . architecture."[16] This latter category has appeared in the text of each subsequent version of the Convention, along with "works of . . . architecture," although in Article 2(1) of the Stockholm (1967) and Paris (1971) Acts, the phrase is changed to read "three-dimensional works relative to . . . architecture." Each of the Convention texts, from the 1886 Berne version through the 1971 Paris text, has also called for protection of "illustrations . . . , plans [and] sketches . . . relative to . . . architecture."[17]

(a) *"Works of . . . Architecture."* Such a work would generally be, under the definition in 17 U.S.C. section 101, a "useful article": "an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information."

Under the definition in section 101 of otherwise protectible "pictorial, graphic, and sculptural works" (known as "PGS works") it is provided that the "design of a useful article" is considered a protectible PGS work "only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that *can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.*"[18]

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erty in Respect of Integrated Circuits, to be considered by a Committee of Experts on Intellectual Property in Respect of Integrated Circuits in November 1985.

[15] Berne Convention Art. 2 (Berlin 1908).

[16] Berne Convention Art. IV (1886).

[17] E.g., Berne Convention Art. 2(1) Paris (1971).

[18] (Emphasis added). The definition of PGS works states that, although these "include two-dimensional and three-dimensional works of fine, graphic, and applied art, . . . technical drawings, diagrams, and models," they only "include works of artistic craftsmanship insofar as their form but not their mechanical or utilitarian aspects are concerned . . . ." 17 U.S.C.

The protection of works of architecture is limited not only by the restrictions under section 101 as to which works qualify as protectible PGS works; the protection is limited also by the restrictions under section 113(b) on the scope of rights in a "work which portrays a useful article" and the restrictions under section 113(c) on the scope of rights in a "work lawfully reproduced in useful articles."

Thus, while adornments or embellishments to a building may be eligible for U.S. copyright protection, the buildings themselves—useful articles as to which the art is inseparable from the utilitarian aspect—are unprotectible under copyright.

In some cases, distinctive building designs or features have been protected under U.S. trademark or unfair competition laws (both common law and statutory), including section 43(a) of the Lanham Act.[19] However, protection in these cases is tied to the importance of the design or appearance of the building in identifying or distinguishing the owner's goods or services and indicating their source. Consequently, such protection is not likely to be considered sufficiently analogous to copyright as to satisfy the Berne requirements.

Buildings or other structures are explicitly protected by statute in at least some of the major Berne countries, e.g., France,[20] Japan,[21] and the United Kingdom.[22] However, a more definitive survey may determine whether, by reason of the statutory or case law of other Berne countries, an absence of true protection for buildings indicates a sufficiently limited scope of the Berne obligation for such works that U.S. law on the subject might be compatible.

(b) *"Illustrations . . ., plans [and] sketches . . . relative to . . . architecture."*

(c) *"Three-dimensional works relative to . . . architecture."*

The definitions of PGS works and "useful article" under section 101 do not appear to bar these two Berne categories of works from protection, but the scope of rights is limited by section 113(b) and (c).

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§ 101.

[19] 15 U.S.C. § 1125(a).

[20] Art. 3, Law No. 57-298 of 1957, which is due to be replaced shortly by a new copyright act, the text of which we have not seen.

[21] Art. 10(1)(v), Law No. 48 of 1970, as amended.

[22] Art. 3(1)(b), Act of 1956, as amended.

6. *Works of Applied Art*

"Applied art" was added by the Brussels version (1948) to Article 2(1), which provides a non-exhaustive enumeration of the categories of "literary and artistic works" to which protection extends.

The Rome version (1928) mentions a category of "[w]orks of art applied to industrial purposes," but states only that such works "shall be protected so far as the domestic legislation of each country allows."[23] Significantly, this category is not one of those listed in Article 2(1) as a type of "literary and artistic work" which member countries are required to protect.[24] It is not until Brussels, then, that "applied art" is denominated a literary or artistic work, to which Berne's copyright protection attaches.[25]

Protection of works of applied art under Berne appears to allow a flexibility not generally available for protected subject matter. Member countries may create a subcategory of "industrial designs and models" for which they may legislate *non-copyright*—presumably, a lower level of—protection.[26]

It appears, however, that Berne requires member countries to provide at least some minimum level of protection for all works of "applied art," including the subcategory of "industrial designs and models."[27]

The Berne provisions critical to analysis of the question are paragraphs (1), (6) and (7) of Article 2.

As noted above, the definition of "literary and artistic works" in Article 2(1) enumerates a non-exhaustive list of such works, in which "works of applied art" are included for the first time in the 1948 Brussels text.

Article 2(6) mandates protection: "The works mentioned in this

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[23] Berne Convention Art. 2(4) (Rome 1928).

[24] See Berne Convention Arts. 1, 2 (particularly Art. 2(4)) (Rome 1928).

[25] "Applied art" is expressly mentioned in the domestic copyright legislation of many countries, as well as in the text of Berne, but without a definition of the term. Reichman, Design Protection in Domestic and Foreign Copyright Law: From the Berne Revision of 1948 to the Copyright Act of 1976, 1983 Duke L.J. 1143, 1146. In the WIPO Guide, supra note 6, at 16, ¶ 2.6.(i), the category is interpreted to "cover the artistic contributions of the makers of knick-knacks, jewelry, gold and silverware, furniture, wallpaper, ornaments, clothing, etc."

[26] See Berne Convention Art. 2(7) (Paris 1971).

[27] If the protection stems from a design statute which offers non-copyright protection, it would be permissible for such protection to differ from the author's copyright protection under Berne in many ways, including the absence of moral rights; requirement of formalities such as registration; shorter term; etc. See generally Reichman, supra note 25. See also Reichman, Design Protection after the Copyright Act of 1976: A Comparative View of the Emerging Interim Models, 31 J. Copyright Soc'y 267 (1984).

Article [i.e., Article 2] shall enjoy protection in all countries of the Union . . . ."

Each of these two paragraphs is clear. Some ambiguity may result, however, from Article 2(7), which says in relevant part that, subject to Article 7(4),

> it shall be a matter for legislation in the countries of the Union to determine the *extent* of the application of their laws to works of applied art and industrial designs and models, as well as the *conditions* under which such works, designs and models shall be protected . . . .[28]

The question is whether, in determining the scope, or "extent," of protection of works of applied art (and the "conditions" of such protection), a member nation: (a) must grant all categories of such works *some* protection[29] (either as "works" with copyright protection or as industrial designs or models), or (b) may deny *any* protection to certain categories of works in the general area of applied art.

If the latter is the correct interpretation, U.S. law, of course, would not be incompatible with Berne, because Article 2(7) would impose no requirement of protection.

If the former is the correct interpretation—that at least some protection must be provided for all applied art works—then U.S. law might not be compatible, because it excludes from copyright protection numerous utilitarian works of applied art. We protect some works of applied art, provided they contain "pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article" of which they are a part.[30] Because we still lack statutory design protection, however, we deny either copyright or design protection to a large percentage of works classed[31] as applied art.

One might argue that compatibility exists because of our design patent law.[32] Features of that law such as the formalities of patent examination and the requirement of novelty might be considered the

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[28] Emphasis added. Art. 7(4) provides that, for works of applied art "in so far as they are protected as artistic works," a shorter term of protection is permitted. This alternate minimum does not apply to industrial designs and models in a country which protects them only as such and which does not accord them copyright protection.

[29] Of course, protection need not be extended unconditionally to every individual work in a particular category, any more than copyright and other intellectual property laws must grant protection to every work in other generally protected categories regardless of considerations of, inter alia, authorship, dedication to the public, prior invention or prior use.

[30] 17 U.S.C. § 101 (definition of "pictorial, graphic, and sculptural works"); Mazer v. Stein, 347 U.S. 201 (1954).

[31] According to the WIPO Guide, supra note 6.

[32] 35 U.S.C. §§ 171-173.

"extent" and "conditions" of protection,[33] so as to be limitations permitted by Berne.

Similarly, protection under section 43(a) of the Lanham Act and other statutory and common law protection under trademark and unfair competition law, might support the argument that U.S. law is compatible with Berne. In this context it should be noted that, unlike the relationship of these laws to the protection of works of architecture under Article 2(1),[34] these laws need not provide copyright-like protection for works of applied art.

It is more consistent with the spirit of the Brussels and Paris revisions to conclude that Article 2 should be interpreted so as to require some protection for all works of applied art.

One reason for this conclusion is the language of the Convention itself. As a matter of "statutory" interpretation, the change between the Rome and Brussels texts on this point—from Rome's non-committal Article 2(4) to Brussels' inclusion of applied art in Article 2(1)—would be meaningless if no new requirement of protection had been introduced at Brussels through the inclusion of "applied art" in Article 2(1).[35]

The last clause of Article 2(7)[36] can be read to state that a country with no "special protection" for industrial designs and models *must* accord copyright protection to all works of applied art.[37] At least arguably, U.S. law provides "special protection" under the design patent law.

As mentioned above in the analogous context of certain architectural works, a further survey of the laws of Berne member countries may be appropriate. Such a survey might indicate whether the application of such countries' provisions for copyright and design protection for works of applied art (and industrial designs and models) suggests a more limited scope of the Berne obligation for such works, with which U.S. law might be deemed compatible.

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[33] Berne Convention Art. 2(7).

[34] See supra text accompanying notes 15-19.

[35] See supra note 25 and accompanying text.

[36] "[I]f no such special protection is granted in that [member] country, such works shall be protected as artistic works." Berne Convention Art. 2(7).

[37] In fact, this is the situation in Greece. Greece has no design law, but applies as domestic law the provisions of international conventions which the country has ratified. As Greece has ratified the Paris version of Berne—which includes Article 2(7)—industrial designs and models are protected as artistic works under copyright. See Fellner, The Future of Legal Protection for Industrial Design 147 (1985).

Chapter XIV
Works Made For Hire

A. Issue

Are (1) the "works made for hire" provisions of sections 101 and 201(b) of the U.S. Copyright Act, vesting both "authorship" and initial copyright "ownership" in the employer or other person for whom the work was prepared; and (2) the term of copyright in works made for hire under section 302(c), compatible with the Berne Convention?

B. Conclusion

1. The work made for hire provisions of sections 101 and 201(b) (authorship and ownership) are compatible with Berne.

2. The duration of copyright in works made for hire under section 302(c) does not fit neatly within the standards of the Berne Convention in all cases. However, in the context of the actual practice of Berne countries, it is not clear that U.S. law is incompatible with the Convention as applied to works of foreign origin.[1]

C. Relevant Provisions of the Berne Convention

Article 1 of the Berne Convention establishes a "Union for the protection of the rights of authors . . . ." Article 2(6) of the Convention provides: "protection [of the classes of protected works] shall operate for the benefit of the author and his successors in title." Other articles refer to the "author" as well. However, Berne does not contain any general provision concerning works made for hire, and does not define the word "author" (or the owner of copyright).

The Convention's provisions for the general term of copyright, Article 7(1) (the life of the author and 50 years after death) and the terms of copyright in anonymous and pseudonymous works, Article 7(3) (generally, 50 years from when the work is made available to the public), are quoted at page ~~1~~ 67(579) of Chapter ~~10~~ X of this Report; in addition, Article 7(2) provides that "in the case of cinematographic works, the countries of the Union may provide that the term of protection may expire fifty years after the work has been made available to the public with the consent of the author or, failing such an event within fifty years from the making of such a work, fifty years after the making."

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[1] With respect to works of U.S. origin, the Convention provides that protection in the country of origin is governed by domestic law, so that the question of compatibility does not arise. See Foreword.

D. Relevant Provisions of U.S. Law

17 U.S.C. section 201(b) provides that, for Copyright Act purposes, the employer or other person for whom a work made for hire was prepared is considered its "author," and (unless otherwise provided in a written signed agreement) owns all rights under the copyright.

Section 101 establishes two classes of works made for hire:

—"a work prepared by an employee within the scope of his or her employment"; and

—specially ordered or commissioned works in certain specified categories, when the parties agree in a written instrument signed by them "that the work shall be considered a work made for hire."

Section 302(c) provides that the copyright in a work made for hire shall continue for 75 years from its first publication or 100 years from the year of its creation, whichever expires first.

E. Discussion

1. *"Employer" as "Author"*

Sections 201(b) and 101 of the U.S. Copyright Act make the employer or other person for whom a work for hire was prepared, rather than the natural person(s) who created the work, the "author." This may include corporations and other legal entities. The Berne Convention does not define the "author" of a work, nor contain any provision that the person who actually wrote, composed, or otherwise created a work must be considered its author for the purposes of the Convention. The *WIPO Guide* explains that Berne:

> speaks of "the rights of authors in their works" but does not define the word "author" because on this point . . . national laws diverge widely, some recognizing only natural persons as authors, while others treat certain legal entities as copyright owners, some imposing conditions for the recognition of authorship which others do not accept.[2]

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[2] World Intellectual Property Organization, Guide to the Berne Convention for the Protection of Literary and Artistic Works (Paris Act 1971) at 11, ¶ 1.16 (1978) [hereinafter cited as WIPO Guide].

The *WIPO Guide* also notes (in connection with Article 15(1), presumption of authorship from name on copies for purposes of standing):

> [T]he Convention merely says that, unless the contrary is proved, the author is the person whose name appears on the work. It goes no further and thus *leaves member countries free to make their own rules on the subject*. This is of some importance in connection with works made in the course of their creator's employment by someone else . . . and with commissioned works.[3]

The foregoing clearly indicates that U.S. treatment of both employees and commissioned parties as "authors" for copyright purposes is compatible with Berne. This conclusion is supported by the existence of similar provisions in the copyright laws of *at least*[4] two Berne countries. The Netherlands' copyright act provides: "If a work has been produced according to the plan and under the guidance and supervision of another person, that person shall be deemed to be the author of the work."[5] These articles apparently include corporations and other legal entities as "authors."[6] Turkey's copyright act provides:

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[3] WIPO Guide, supra note 2, at 93, ¶ 15.4 (emphasis added). See also, e.g., Cuvillier, Employment and Copyright, Copyright 112, 119 (Apr. 1979) (Berne does not define author, leaving it to national legislation); Plaisant, The Employee-Author and Literary and Artistic Property, Copyright 274, 275 (Oct. 1977) ("The author is determined in very different ways depending on the legislation concerned, and the international conventions are silent on this point.").

[4] There may be other Berne countries that consider employers and commissioning parties as "authors" in various cases. See, e.g., Japan, Law No. 48 of 1970, as amended, Art. 15 ("authorship" of a work made by employee "on initiative of a legal person or other employer" *and* made public under name of employer as author attributed to employer unless otherwise stipulated); Italy, Copyright Law of 1941, as amended, Articles 3 (protection of collective works) & 7 (person who directs and organizes creation of collective work "shall be deemed to be the author") and de Sanctis, Italy, in S. Stewart, International Copyright and Neighbouring Rights § 16.04 at 401-02 (commentators "divided on whether a legal person can be regarded as an author"); see also Article 13 of the French Copyright Act of 1957, providing that "a collective work, in the absence of proof to the contrary, shall be the property of the physical person or legal entity under whose name it is disclosed." (A "collective work" is defined in Article 9 in terms that would include some, though not all, works made for hire under U.S. law.) French commentators indicate that this section vests "authorship" in the person or entity. See Plaisant, supra note 3, at 275, 278; Chesnais, France, in S. Stewart, supra, § 14.03 at 330. Employer "authorship" may be particularly applied in the area of emerging amendments to national copyright laws regarding software. See, e.g., Main Points of the Draft Bill Prepared by the [Japanese] Agency for Cultural Affairs, ¶ 2 in UNESCO/WIPO/GE/CCS/3, Annex B—Appendix, page 2; see also French Software Copyright Amendments of June 26-27, 1985, Art. 38(1)(2). Still other examples or analogs of employer "authorship" may exist in national laws confirming copyright in government entities.

That some of the countries cited in this footnote and accompanying text have not adhered to the 1971 text of the Berne Convention is immaterial to this point.

[5] Copyright Act of 1912, as amended, Art. 6. See also Art. 7: "production of certain literary, scientific or artistic works [in service of another person]"; person in whose service they were produced deemed "author."

> The authors of works produced by officials, employees, or workers, as part of their duties, are the persons who have appointed or who employ them unless the contrary results from a contract between the parties or from the nature of the work. This rule shall also apply to legal entities. If one or several persons have produced a work according to a plan established by the publisher, then the publisher shall be the author of the work, unless the contrary results from a contract between the parties or the nature of the work.[7]

Our conclusion is also supported by the liberal choice accorded to Berne countries with respect to *ownership* of copyright in works made for hire, discussed immediately below.

In light of the above, the fact that Article 15(3) of the Convention provides that, for certain anonymous and pseudonymous works, "the publisher whose name appears in the works shall . . . be deemed *to represent* the author" should not detract from the discretion of Berne countries to treat such publisher *as* the author in the case of works made for hire or on commission.

The effect of the United States vesting of "authorship" in employers and commissioning parties being compatible with Berne is not limited to the question of copyright ownership;[8] it also means that the U.S. may treat other Convention references to "authors" as references to such employers and commissioning parties.[9]

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[6] See Cohen-Jehoram, The Author's Place in Society, Copyright 385, 391 (Nov. 1978). See also Art. 8 ("authorship" in public associations, foundations, and partnerships in certain cases).

[7] Copyright Act of 1951, Art. 8.

[8] See infra text accompanying notes 11-12.

[9] See, e.g., the Article 3 criteria of eligibility and the Article 5 criteria of country of origin, and the articles regarding minimum rights.

Caveat re. moral rights: If the references to "author" in Article 6*bis* of the Convention permit the U.S. to comply with that article by vesting moral rights only in employers and commissioning parties, then only the general moral rights/compatibility issue discussed in Chapter VI of this Report would seem pertinent. This may be the case; see Cohen-Jehoram, supra note 6, at 391 (Under Dutch law "the employer (person or corporation) is the original acquirer of the copyright including—for the Netherlands at least—the moral rights," *but* also apparently citing existence of "another opinion" on that point.).

However, if Article 6*bis* requires the recognition of moral rights in employees in any event, additional consideration of moral rights compatibility would seem warranted. Commentary suggests an absence of clarity, at the least, on this point. Some authorities may feel that some moral rights, although at a diminished level, must be accorded to employed creators. See, e.g., Cohen-Jehoram, supra note 6, at 391 n.41; Plaisant, supra note 3, at 277; S. Stewart, supra note 4, at 64 ("An employee author should retain [moral] rights in Berne Convention countries . . . . However, the position must be influenced by the employment situation, e.g., the employee may, if circumstances demand it, have to be content with publication of the

2. *"Employer" as Initial Owner of Copyright*

Sections 201(b) and 101 of the U.S. Copyright Act grant initial ownership of copyright in a work made for hire to the employer (or commissioning party), rather than to the natural person(s) who created it. The authorities noted in part E.1., immediately above, clearly indicate that this is compatible with Berne, both as a matter of reason (if employees and commissioned parties may be treated as "authors," they may clearly be treated as initial owners of copyright) and express language. This conclusion is supported by a variety of devices—express statutory provisions, application of principles of the "labor" or "employment" relation, presumed or implied terms of employment contracts, etc.—which automatically confer copyright ownership in whole or in part on employers and/or commissioning parties in many Berne countries.[10]

The fact that Article 14*bis*(2)(a) of the Convention expressly provides that "ownership of copyright in a cinematographic work shall be a matter for legislation in the country where protection is claimed"[11] appears to derive from the attempt of the 1967 Stock-

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works without his name appearing as the author and the employer will have wider powers to make alterations. . . ."). The first quoted sentence from Stewart is based on the Berne principle that the moral right "remains with the author even after the transfer of economic rights." Id. (emphasis added) Thus, perhaps, it need not apply to cases where the employer is treated as the "author" (as in the U.S.) rather than as merely the initial "owner" (as in the U.K.).

[10] Various of these devices are described, e.g., in S. Stewart, supra note 6, at ¶¶ 4.25 and 4.26 (in general), 15.03 (Germany), 16.04 (Italy), 18.04 (U.K.), 23.13(3) (India), 24.43 (Japan); Plaisant, supra note 3; Cavillier, supra note 3; Cohen Jehoram, supra note 6; and in a series of papers prepared as an ILO/UNESCO/WIPO 1982 "Consultation Meeting on the Question of Copyright Ownership and Its Consequences for the Relations Between Employers and Employed as Salaried Authors" (ILO/UNESCO/WIPO/SA/CM/2 [Socialist countries], /3 [U.S.A., U.K., Canada, Australia] and /4 [Nordic countries]).

See also, e.g., U.S. Adherence to the Berne Convention: Hearings Before the Subcomm. on Patents, Copyrights and Trademarks of the Senate Comm. on the Judiciary, 99th Cong., 1st Sess. 46 (1985) (statement of Donald C. Curran, Associate Librarian of Congress and Acting Register of Copyrights) ("Fact that copyright vests initially in corporate or other entities in the U.S. under the 'made for hire' doctrine probably poses no problem with regard to potential United States adherence.").

[11] This chapter is based on the assumption (reflected in Art. 14bis (2)(a)) that questions of ownership will be determined by the law of the forum country—i.e., the U.S. in the case of a work of foreign origin seeking protection here. However, some have suggested that (at least in countries where ownership is determined only by express or implied contract) the law of the place where the contract is made should govern, and that this should apply to the ownership of works made for hire under the presumed employment contract. See Apple Computer Inc., v. Segimex S.A.R.L. (Paris Tr. Cm. Sept. 21, 1983) (U.S. law on works for hire may govern ownership/standing with respect to protection of U.S. works in France) (alternative holding).

holm Conference to deal specifically with various aspects of motion pictures under the differing regimes of member countries; it should not detract from the general principle, applicable to *all* works, that member countries have discretion to determine ownership of copyright in works created under employment or commission.

5. *Term of Copyright in Works Made for Hire*

Section 302(c) of the U.S. Copyright Act grants works made for hire a term of copyright lasting for 75 years from first publication, or 100 years from creation, whichever first expires. Because the Berne Convention does not provide for a term of copyright generally applicable to works made for hire, a number of questions arise.[12]

a. *The General Rule*

Article 7(1) of the Convention provides that "the term of protection granted by this Convention shall be the life of the *author* and fifty years after his death." Where the employer, or commissioning party in the case of a work made for hire under U.S. law, is a *natural person*, this Article might require a term extending to 50 years after that person's death. Section 302(c) of the U.S. Copyright Act could provide a substantially lesser term in particular cases (i.e., the "author" might be deceased for less than 50 years, yet the work may have been created more than 100, or published more than 75, years earlier). Of course, this discrepancy might also arise if the individual creator were considered the "author," and the Convention does not specify whether the "author" for durational purposes is to be considered the actual writer, or a natural person/employer-author.

Where the employer, or commissioning party, *is a corporation or other legal entity*, the matter is complicated still further (except in the case of motion pictures, see below) since the *post mortem* concept is inapplicable. It appears that many Berne countries do not provide for juristic person-"authorship," or make the employer the "author" (as opposed to copyright owner), so that in these countries the "life plus 50" standard may still be applied, based on the life of individual creator(s), to works made for hire without conceptual difficulty.[13] In the two known countries where corporate employers are clearly treated as authors, the issue is apparently resolved by adoption of a term of years, without specific sanction (for all purposes) in the text of the Convention.[14]

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[12] Pre-1978 works made for hire are subject to the renewal/duration compatibility issues discussed in Chapter X.

[13] Of course, practical difficulties in identifying particular authors may arise; but these may be resolved by application of special Berne rules for motion pictures or anonymous works in some cases (see infra text accompanying note 16), by durational rules for joint authorship, or by ad hoc rules for collective works or the like. The latter approach is significant here; see discussion of French and Italian law, infra notes 17-18 and accompanying text.

b. *Motion Pictures*

Article 7(2) of the Convention permits (but does not require) member countries to provide that "the term of protection shall expire fifty years after the work has been made available to the public with the consent of the author or, failing such event within fifty years from the making of such a work, fifty years after the making."[15] Most motion pictures will be works for hire under U.S. law; and it seems that in such cases application of section 302(c) of the U.S. Copyright Act would commonly (albeit, perhaps, not always) exceed the minimum provided by Article 7(2).

c. *Anonymous Works*

As discussed in Chapter X of this Report, Article 7(3) of the Convention establishes a term of fifty years from public availability for anonymous (and pseudonymous) works. Attempted application of this standard to works made for hire raises at least two problems: *first*, under the U.S. system of designating the employer or commissioning party as "author," many works made for hire may not be "anonymous" (also, it is not unusual for the natural creator's name to appear on works made for hire); *second*, even if a particular work made for hire were "anonymous," the term provided by section 302(c) of the U.S. Copyright Act for both anonymous works and works made for hire may be incompatible with Article 7(3) in particular cases. (See Chapter X.)

In sum, the term of copyright under U.S. law for works made for hire does not always fit neatly within the Berne standards. However, it may be questioned whether this is a meaningful area of incompatibility.[16] The Convention, as a whole, appears intended to accord considerable discretion to member countries in dealing with such works. Its failure to provide a specific term of protection for all works made for hire need not compel the conclusion that the states must fit their terms of protection for such works into categories designed for other purposes. As noted above, at least two Berne countries appear to have adopted *ad hoc* rules, as a matter of necessity, for works of corporate or like authorship; additional variations from the Berne standards may exist under the laws of other Berne countries in particular cases. For example, Article 22 of the French Copyright Act of 1957 and Article 26 of the Italian Copyright Act of 1941, as amended, accord a term of 50 years from publication to "collective works" (a category that is defined differently in each country, but that in each case would include some, though not all, U.S. works made for hire). But such terms would not fall under the Berne standard for "anonymous" works if the publisher is considered the "author"[17] or if the creators' names are used on the work, and are not otherwise supported in the text of the Convention.[18]

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[14] See Netherlands Copyright Act of 1912, as amended, Art. 38 (fifty years from making public, at least with respect to Dutch Art. 8 works and presumably for Dutch Art. 6 and Art. 7 works "authored" by legal entities as well); Turkey, Copyright Act of 1951, Art. 27 (twenty years from publication "if the author is a legal entity"). See also discussion of Italian and French laws on collective works, infra notes 17-18 and accompanying text. As before, the fact that the Netherlands and Turkey have not adhered to the 1971 text of the Berne Convention is immaterial to this point.

[15] The WIPO Guide, supra note 2, at 47, ¶ 7.6, notes, in effect, that "public availability" is not necessarily the same as "publication" under U.S. law since the former includes exhibitions per se.

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[16] It also seems doubtful that it is necessary to distinguish among classes of works made for hire, e.g., considering (most) motion picture situations as expressly compatible, corporate works made for hire as compatible "by necessity," and other works made for hire as incompatible (in some cases).

[17] See supra note 4.

[18] See also Japan, Law No. 48 of 1970, as amended, Art. 53 (copyright in "works bearing as the name of the author that of a legal person or other corporate body" endures for 50 years from making public or from creation; provision inapplicable where copies made public with name of natural author). Cf. id. Art. 15, noted supra note 5.

PRELIMINARY REPORT OF THE AD HOC WORKING GROUP ON U.S. ADHERENCE TO THE BERNE CONVENTION

December, 1985

FOREWORD

This is a preliminary report on the compatibility of basic provisions of the United States copyright and other relevant law with the Berne Copyright Convention. It was prepared by the Ad Hoc Working Group on U.S. Adherence to the Berne Convention ("The Ad Hoc Working Group").

This foreword discusses the formation and membership of the Group, its procedures (including those for completing its Final Report), the method for evaluating compatibility, and the fundamental distinction between "works of foreign origin" and "works of U.S. origin", which is central to evaluating the compatibility of the various provisions considered in this Report.

I. Background

On the eve of the 100th Anniversary of the Berne Copyright Convention (September 9, 1886), there is renewed interest in United States accession to the Convention. This May, the Senate Judiciary Committee's Subcommittee on Patents, Copyrights and Trademarks, chaired by Senator Charles McC. Mathias, heard testimony from several witnesses on the implications of U.S. adherence to Berne.

Donald C. Curran (Associate Librarian of Congress and then Acting Register of Copyrights), Barbara Ringer (former Register of

Copyrights), Arpad Bogsch (Director-General of the World Intellectual Property Organization, "WIPO", which administers the Convention); Elinor Constable, Acting Assistant Secretary of State, Bureau of Economic and Business Affairs; Donald J. Quigg, Commissioner of Patents and Trademarks; and C. Michael Hathaway, Deputy General Counsel, Office of the United States Trade Representative, all supported U.S. adherence to the Berne Convention.

2. The Ad Hoc Working Group

Consideration of U.S. adherence to Berne involves a fundamental copyright issue: are the provisions of United States law compatible with the provisions of the 1971 Paris Act of the Berne Convention*/ ? This is the Berne text to which the U.S. would accede if the President and Senate took the necessary action to make this country a member of the Convention. Article 36(2) of the Convention requires a country to "be in a position under its domestic law to give effect to the provisions of" the Convention at the time when it becomes a new member.

At the request of the State Department, several individuals who have had long experience in the copyright field joined together as an "Ad Hoc Working Group" to identify those basic provisions of

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*/ Unless otherwise noted, all references in this Report to "the Berne Convention" refer to the 1971 Paris Act, which is the most recent text of the Convention

U.S. law relevant to U.S. adherence to the Berne Convention, and to analyze their compatibility with Berne. The issue addressed by the Group is: do the U.S. Copyright Act, other Federal and State statutes, and common law provide protection of the nature required by the Convention for works originating in other Berne member-countries?

The Ad Hoc Group's purpose was to prepare a Report on this technical issue that might assist the Congress (including the Senate and House Judiciary Committees and the Copyright Office) and the Executive Branch, in their consideration of United States adherence to Berne.

The Ad Hoc Working Group, as such, does not take any position on the basic policy question of whether the United States should join Berne. Some members believe it should; and some represent organizations which may support adherence. But the sole focus of the Ad Hoc Group's work, and this Report, is on whether relevant provisions of U.S. law are compatible with the Berne Convention. The Group does not make any recommendations for revisions of U.S. law that might be required to eliminate incompatibilities which may exist.

3. Membership of the Ad Hoc Working Group

These are the members of the Ad Hoc Working Group. They served as individuals; the names of various organizations they represent or are affiliated with are given solely for identification and do not imply endorsement by those organizations of the Preliminary Report:

Irwin Karp, Chairman [Authors League of America]

Norman Alterman [Motion Picture Export Association of America, Inc.]

Jon A. Baumgarten [Association of American Publishers]

Leonard Feist [National Music Publishers Association, Inc]

Morton David Goldberg [Information Industry Association]

Bella Linden [The Songwriters Guild]

I. Fred Koenigsberg [American Society of Composers, Authors & Publishers]

William Maxwell [Computer & Business Equipment Manufacturers Association]

Gary Roth [Broadcast Music, Inc.]

Hamish R. Sandison [Recording Industry Association of America]

Augustus W. Steinhilber [National School Boards Association]

Robert Wedgeworth [American Library Association]

EX OFFICIO:

Harvey J. Winter, Executive Secretary [Department of State]

Donald C. Curran [Former Acting Register of Copyrights]

Lewis Flacks [Copyright Office]

Michael S. Keplinger
[Office of Legislation and International Affairs, U.S. Patent and Trademark Office]

4. Method of Procedure

At its initial meeting, the Ad Hoc Working Group decided on the fourteen basic subjects that should be studied. These are listed in the table of contents of this report. Members of the Group drafted study papers on each subject, and these were reviewed and revised by the Group. These papers, constituting the chapters of this Report, are presented as the joint work of the Group and represent a general consensus, but this does not imply unanimous agreement of the Group on any particular point.

The Report is being distributed to individuals and organizations interested in copyright matters and the question of U.S. adherence to Berne, and they are invited to submit their comments in writing, prior to January 15, 1986, to:

Mr. Harvey J. Winter
Office of Business Practices
Department of State
Washington, D.C. 20520

The Ad Hoc Working Group will review all such written comments and make any further revisions it deems necessary in light of them. It will then publish a Final Report, with an Appendix that will include the comments received as well as any individual views of Working Group members who may differ on specific sections of the Report.

5. "Compatibility" and Works of U.S. Origin

The Report's conclusion that certain provisions of U.S. law are incompatible with Berne applies only to works of foreign origin. The Berne Convention does not require that a member country grant the protection required by the Convention's text to works of which that country is "the country of origin".

Article 5 of the Berne Convention provides:

> "(1) Authors shall enjoy, in respect of works for which they are protected under this Convention, in countries of the Union other than the country of origin, the rights which their respective laws do now

> or may hereafter grant to their nationals, as well as the rights specially granted by this Convention." (emphasis supplied)
>
> * * * * *
>
> "(3) Protection in the country of origin is governed by domestic law. However, when the author is not a national of the country of origin of the work for which he is protected under this convention, he shall enjoy in that country the same rights as national authors."

The question of incompatibility, therefore, is really a question of whether a given provision of U.S. law is incompatible with Berne's requirements when that U.S. provision is applied to works of foreign origin. For example, Sec. 601 of the U.S. Copyright Act limits the right of authors to import or distribute in the United States copies, manufactured outside the U.S. or Canada, of a work that consists preponderantly of nondramatic literary material in English. Berne provisions do not permit that limitation. But section 601 is not incompatible with Berne when it is applied to works of U.S. origin.

From the U.S. perspective, provisions of U.S. law would have to be compatible with Berne when applied to :

(a) works first published in another Berne country, alone or simultaneously with publication in any other country (except the U.S.), Berne or non-Berne.

(b) works first published simultaneously in the U.S. and another Berne country which gave a shorter period of protection; or

(c) works first published in a non-Berne country without a simultaneous Berne-country publication, if the author is a national of any Berne country other than the U.S.

(d) unpublished works by nationals of other Berne countries.

Under Article 5(4) of Berne, these are works of which the U.S. is not the country of origin.

On the other hand, provisions of U.S. law need not be compatible with Berne when applied to the following categories of works since, under Article 5(4), the U.S. would be their "country of origin":

(i) works first published in the U.S.

(ii) works first published simultaneously in the U.S. and another Berne country which gave a longer period of protection.*/

(iii) works first published simultaneously in the U.S. and a non-Berne Country.

(iv) works by U.S. nationals first published in a non-Berne country without simultaneous publication in any Berne country.

(v) Unpublished works whose authors are U.S. nationals.

(vi) Cinematographic works whose makers have their headquarters or habitual residence here and that are unpublished, or are first published in a non-Berne country without simultaneous publication in any Berne Country

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*/ The Convention is ambiguous with respect to the country of origin of a work which is simultaneously published in two Berne countries that give the same term of protection.

In addition, provisions of U.S. law would not have to be compatible with Berne when applied to works whose country of origin was not a Berne member.

6. Determination of Compatibility

The President and Congress determine whether U.S. Copyright law, other statutes and common law are compatible with Berne, and what changes, if any, are required to provide compatibility, i.e., protection of a nature that satisfies the requirements of Berne with respect to works of foreign origin.

If the President, with the advice and consent of the Senate, signs the necessary instrument of United States accession to the Berne Convention and it is deposited with the Director General of WIPO, this country would become a party to the Convention and a member of the Union 3 months after the Director General notifies other Berne members of the deposit (unless a later date is indicated in the instrument). See Article 29.

The Director General, Arpad Bogsch, advised the Ad Hoc Working Group that the International Bureau which administers Berne (Article 24) has no procedure for reviewing the instrument of accession filed by a prospective member to determine whether its laws are compatible with Berne, and that no instrument of accession ever has been rejected on the ground of incompatibility.

Any complaint by another member country that U.S. law is not compatible with Berne probably would have to be settled under

Article 33(1) which provides that disputes between members concerning interpretation or application of the Convention shall be brought before the Court of International Justice. However, Article 33(2) provides that when a country deposits its instrument of accession to Berne, it may declare that it does not consider itself bound by the provisions of Art.33(1) which then would not apply to it.

7. Conclusion

With publication of its Final Report, the Ad Hoc Working Group will have completed its work, and will dissolve. The members of the Working Group wish to express their deep gratitude to Harvey J. Winter for his invaluable administrative assistance, and even more, for his tireless efforts on behalf of international protection for intellectual and artistic works, in the fields of copyright, patent and trademark. He has made a significant contribution to the development of international law in these areas.

CHAPTER 1 Cable Compulsory License

A. Issue: Is the cable compulsory license provision of the United States Copyright Act, 17 U.S.C. § 111, compatible with the Berne Convention?

B. Conclusion: The cable compulsory license is compatible with the Berne Convention.

C. Relevant Berne Provisions: The Berne Convention requires that the author enjoy exclusive rights over public performances by cable. Article 11 bis (1)(ii) states:

> (1) Authors of literary and artistic works shall enjoy the exclusive right of authorizing: . . .
>
> (ii) any communication to the public by wire or by rebroadcasting of the broadcast of the work, when this communication is made by an organization other than the original one

However, the Berne Convention also allows such rights to be exercised in the absence of voluntary agreement, under a system of compulsory licensing as long as the author has the right to "equitable remuneration," which "shall be fixed by competent authority," there is no extraterritorial application, and moral rights are not jeopardized. Article 11 bis (2) states:

> (2) It shall be a matter for legislation in the countries of the Union to determine the conditions under which the rights mentioned in the preceding paragraph may be exercised, but those conditions shall apply only in the countries where they have been prescribed. They shall not under any circumstances be prejudicial to the moral rights of the author,

> nor to his right to obtain equitable remuneration which, in the absence of agreement, shall be fixed by competent authority.

D. Relevant U. S. Provisions: The 1976 Copyright Act contains a compulsory license which allows cable operators to retransmit over-the-air broadcasts to their subscribers. 17 U.S.C. § 111. Cable operators pay a fee, based on the number of distant broadcast signals carried, which was initially established by statute, and subsequently adjusted by the Copyright Royalty Tribunal. The adjustments made were of two sorts: 1) to maintain the real dollar level of compulsory license fee payments; and 2) in certain circumstances, to adjust the fees to "reasonable" levels.

E. Discussion: The cable compulsory license appears to fall within the provisions of Article 11 bis (2). The compulsory license fees have been deemed "equitable" by "competent authority" -- Congress and the Copyright Royalty Tribunal. It might be argued that the Article does not apply because there is no provision for voluntary agreement in the statute. In fact, however, such agreement is possible regarding the rate adjustments. And, in any event, such a reading strains the reasonable inference from the Article which allows such compulsory licensing. It might be argued that the cable compulsory license is incompatible with Article 11 bis (2) because it does not prescribe remuneration for the retransmission of local, as opposed to distant, broadcast signals. However, the fact is that all cable systems -- whether they carry distant signals or not -- pay some compulsory license fees, pursuant to 17 U.S.C. § 111. And, the proponents of the cable compulsory license argue in response, under the American system of broadcasting, local cable carriage increases audience, which is the basis for remuneration of copyright owners.

The other requirements of Article 11 bis (2) seem to be met: there is no extraterritorial application of the compulsory license, and moral rights are not jeopardized.

Chapter II: Exemptions to the Rights of Public Performance and Display

A. Issue:

Are the exemptions to exclusive rights of public performance and display in section 110 of the 1976 Copyright Act compatible with the Berne Convention?

B. Conclusions:

1. The exemptions to the right of public display are compatible with the Berne Convention.

2. The exemptions to the exclusive rights of public performance in section 110 of the U.S. Copyright Act are substantially compatible with the Berne Convention, particularly in light of the laws of Berne States interpreting these obligations. Minor questions of compatibility exist with respect to section 110(2) and (9).

C. Relevant Provisions of the Berne Convention

Art. 10(2) of the Berne Convention provides:

> It shall be a matter for legislation in the countries of the Union and for special agreements existing or to be concluded between them, to permit the utilization, to the extent justified by the purpose, of literary or artistic works by way of illustration in publications, broadcasts or sound or visual recordings for teaching, provided such utilization is compatible with fair practice.

Article 10(3) provides:

> Where use is made of works in accordance with the preceeding paragraphs of this Article, mention shall be made of the source and the name of the author if it appears thereon.

Article 11(1) provides:

> Authors of dramatic, dramatico-musical and musical works shall enjoy the exclusive right of authorizing:
>
> (i) the public performance of their works including such public performance by any means or process;
> (ii) any communication to the public of the performance of their works.

Article 11bis(1) provides:

> Authors of literary and artistic works shall enjoy the exclusive right of authorizing:
>
> (i) the broadcasting of their works or the communication thereof to the public by any other means of wireless diffusion or signs, sounds or images;
> (ii) any communication to the public by wire or rebroadcasting of the broadcast of the work, when this communication is made by an organization other than the original one;
> (iii) the public communication by loudspeaker or any other analogous instrument transmitting, by signs, sounds, or images, the broadcast of the work.

Article 11ter provides:

> Authors of literary works shall enjoy the exclusive right of authorizing:
>
> (i) the public recitation of their works, including such public recitation by any means or process;
> (ii) any communication to the public of the recitation of their works.

D. Relevant Provisions of U.S. Law

Section 110 of the 1976 Copyright Act creates specific, limited exemptions to the exclusive rights of public performance and display under section 106. These exemptions relate to the following: 1)face-to-face teaching activities; 2) instructional broadcasting; 3) religious services; 4) non-profit, live, performances; 5) public reception of broadcasts; 6) agricultural fairs; 7) performances in the course of retail record sales; 8) transmissions to handicapped audiences; and, 9) performances by veterans and franternal groups.

E. Discussion

1. Exclusive right of public display

The exclusive right of public display of works created by section 106(5) of the U.S. copyright law is not a right stipulated in the Berne Convention. Consequently, the exceptions under 110 are compatible with Berne.[1/]

Articles 11, 11bis and 11ter concerning public performance rights do not expressly deal with exemptions to such rights.[2] Nonetheless, it is clear that the nations which adhered to the texts of Berne never intended the performance, broadcasting and recitation rights of Arts. 11-11ter to be absolutely exclusive. Indeed, until the Brussels Act (1948), public performance rights were not fully established in the Convention on an exclusive basis.[3]

Resistance to the recognition of exclusive public performance rights was based in part upon the desire of many states to maintain free of potential copyright controls "cases of gratuitous performances given by popular societies, military bands, students and the like."[4] The present situation under Berne is a unique product of the Union's committment to recognition of exclusive public performance rights and the preservation of well-established exceptions. This was achieved at the Brussels Conference and confirmed at the Stockholm Conference in 1967. At these Conferences, declarations were made expressing the understanding of the states of the Union to this effect:

> It is in relation to (Art. 11) that the question of minor reservations arises. These cover such things as religious ceremonies and performances by military bands at public fetes. It was agreed that these exceptions (which apply also to Articles 11bis, 11 ter, 13 and 14) were valid. At Stockholm it was again agreed that the Convention did not stop member countries from preserving their law on exceptions which come under this heading of 'minor reservations.' (emphasis added). [5]

Apart from the examples given, what additional meaning may be given to the phrase minor reservations?

The programme for revision of the Berne Convention presented to the Brussels Conference by the Berne Bureau and the Belgian government noted, in respect to exclusive public performance rights:

> Let us suppose now that this right is adopted unconditionally: the result would be that no Contracting State would have the right to make the least restriction in it. It would be impractical to expect to obtain such a result. The great majority of Union countries enumerate a more or less considerable number of cases in which the representation or performance of a protected work is free....Here are some examples of performances declared free by a large number of national laws: musical performances which are part of religious services, concerts given by military bands, charity concerts, public concerts organized for certain occasions. It is not possible to enumerate specifically in the Convention all these special cases: they are too varied. Many of them are based upon old local customs which the countries concerned would not wish to give up. One cannot, therefore, contemplate the suppression of these exceptions. 6/

The Report of the Brussels Conference noted:

> (Y)our reporter was asked to point out specifically the possibility of what are generally termed 'small reservations' on the part of national legislatures. The delegates of Norway, Sweden, Denmark, Finland, Switzerland and Hungary have asked that limited exemptions be made for religious ceremonies, military fanfares and for works which are essential for schools and the promotion of general culture. You will appreciate that these points are simply noted here and do not in any way weaken the principle of the right. 7/

The Report of the Stockholm Conference in 1967 affirmed that the Convention as modified did not alter the agreement reached at Brussels: states of the Union were not precluded from "maintaining in their national legislation provisions based upon the declaration contained in the General Report of the Brussels Conference." 8/

Thus, no state which has exceptions to performing rights such as those discussed in the Brussels and Stockholm Reports appear to have ratified the Brussels, Stockholm or Paris Acts of Berne with an express reservation of "minor perforing rights exceptions." The term "reservations" is not used here in a technical sense; it imports instead an understanding that derogations from the literal language of Articles 11, 11bis, 11ter, 13 and 14 can be made in relatively minor instances without giving rise to a violation of the Convention.[9]

3. The specific exemptions of section 110 of the U.S. Copyright Act

section 110(1): educational exemption in face-to-face teaching

The applicability of the minor reservations understanding to educational uses is clearly established. The comments of the Rapporteur-General of the Brussels Conference made express reference to educational uses as one of the kinds of uses coming within the understanding. There is no evidence that the subsequent addition to the Convention of Article 10(2) represents a superseding agreement on the permissible free use of works in educational contexts.

Either Art. 10(2) or the minor reservations understanding may serve to bring section 110(1) within the framework of Berne's public performance rights obligations. Section 110(1) is limited to face-to-face teaching activities; the performance must be executed by pupils or the instructors; and, the institution in which this takes place must itself be non-profit. Although section 110(1) does not contain limitations such as those found in Art. 10(2), namely that the utilization be only "to the extent justified by the purpose" and that it be "compatible with fair practice", it may be argued that the conditions of 110(1) tend strongly toward enforcing such limitations in practice. For example, the restrictions on who may perform, on locale and the nature of the institution do tend to assure that exempt classroom performances are used with pedagogical justification. And, while "fair practice" is not defined in the Berne Convention, there is some indication that the meaning duplicates the provisions of Art. 9(2) of the Convention. 10/

The questions of compatibility between section 110(1) and Art. 10(2) arising out of the specific limitations of the Article could be resolved by reference to the laws of Berne states. A number of Berne countries have educational exemptions applicable to face-to-face teaching situations, without the protective limitations of Art. 10(2). Art. 20 of the Danish copyright law permits the public performance of works other than films or dramas "for educational purposes"; Sweden's law is to the same effect. Art. 21(1) of Hungarian copyright law permits performances of published works at "schools celebrations or for other school purposes." 11/

The various conditions limiting the exercise and the scope of the 110(1) exemption are calculated to confine exempt performances to student-teacher interactions whose commercial significance is arguably minimal. In the absence of an express prohibition derived from the text of the Convention itself, the declarations including educational uses under the minor reservations understanding should reasonably extend to section 110(1).

section 110(2): instructional transmissions

Section 110(2) deals with instructional television transmissions. Article 11bis of the Convention establishes the exclusive right of the author to authorize "the broadcasting of their works or the communication thereof to the public...." According to the GUIDE TO THE BERNE CONVENTION, "there must be a public element to the operation. The meaning of broadcasting is found in the Radiocommunications Regulations; it is a matter of transmissions intended to be received directly by the general public".[12]

Prof. Nimmer concluded that the "minor reservations" understanding could sustain a limited instructional television performance exemption as compatible with the Berne Convention.[13] In this respect it is interesting to note that educational or other instructional broadcasting exemptions are to be found in the laws of a number of Berne Union states.[14] However, the provisions of these exemptions strongly suggests that they rest upon an acceptance of Art. 11bis (by assuring compensation in accordance with Art. 11bis(2)), _or_ Art. 10(2) (by applying the limitations on use appearing in that Article).

Article 10(2) clearly applies to the use of protected works in the course of instructional transmissions and the various limitations of section 110(2) may be said to comport with the requirements of that Article. If a clear conflict may be said to exist at all, it probably arises out of the failure of section 110(2) to provide the crediting by the user called for in Article 10(3).

section 110(3): _performances of non-dramatic literary and musical works in the course of religious services_

This exemption falls squarely within the express language of the Brussels and Stockholm Conference declarations on minor reservations and is one of the most widely adopted of public performance exemptions in the laws of Berne Union countries.[15] Indeed, the scope of section 110(3) is narrower than many Berne country provisions covering the same sorts of activities.[16]

section 110(4): non-profit and charitable performances

Although the Berne Convention does not provide for any sort of non-profit limitation to any of the minimum exclusive rights, the minor reservations understanding has long underpinned a series of exemptions in the laws of Union members which relate to charitable and other non-profit performances of a variety of works. 17/

Austrian copyright law is closest in structure to section 110(4). Section 50(1) of the Austrian copyright law permits public delivery of a published work where there is no admission charge and the delivery is not for profit; or "receipts are destined exclusively for charitable purposes" and the participants do not receive compensation for the delivery. Public performances of musical works is free under Art. 53(3) of Austrian copyright law where the performance is not for any commercial purpose or the receipts are "destined exclusively for charitable purposes."

section 110(5): public reception of broadcasts

The House Report accompanying the copyright revision bill suggests that section 110(5) is a most minor reservation:

> The basic rationale of this clause is that the secondary use of the transmission by turning on an ordinary receiver in public is so remote and minimal that no further liability should be imposed. In the vast majority of these cases no royalties are collected today and the exemption should be made explicit in the statute. This clause has nothing to do with cable television systems and the exemption would be denied in any case where the audience is charged directly to see or hear the transmission. 18/

Article 11bis(1)(iii) of the Convention establishes the exclusive right of the author to authorize the "public communication by loudspeaker or any other analagous instrument transmitting by signs, sounds, or images, the broadcast of the work." The GUIDE TO THE BERNE CONVENTION observes:

> Finally, the thrid case dealt with in this paragraph is that in which the work which has been broadcast is publicly communicated e.g. by loudspeaker or otherwise, to the public. The case is becoming more common. In places where people gather (cafes, restaurants, tearooms, hotels, large shops, trains, aircraft, etc.) the practice is growing of providing broadcast programs....The question is whether the license given by the author to the broadcasting station covers, in addition, all the use made of the broadcast, which may or may not be for commercial ends. The Convention's answer is "no". 19/

While it is of interest that Art. 38(2) of Japanese copyrightlaw is closely analogous to section 110(5), the history of the relevant article of the Convention itself is adequate to establish the acceptability of section 110(5) with the Convention text.

The question of communicating a broadcast to the public through loudspeakers in public places occupied much attention in the programme for revision of the Berne Convention at Brussels. The Berne Bureau and the Belgian government were rather firmly of the opinion that the use of a loudspeaker in a public place to communicate the contents of a broadcast constituted a new use of the broadcast to reach a new public; that is, a public other than the diffuse one using lower-amplification home receivers.20/ The programme went so far as to propose that the provisions of Art. 11bis(2), under which governments were authorized to regulate the conditions for exercise of the broadcasting right not be extended to loudspeaker communications.21/

The programme of the Brussels Conference suggests that the principal concern of the dratfers--and the Conference itself--was with the loudspeaker as opposed to the simpler home receiver.[22] It may be that the provisions of the Berne Convention assuring to the author the exclusive right to communicate to the public broadcasts of his or her work via loudspeakers implies the use of a technology qualitatively different from the ordinary home receiver. In such a light, section 110(5) would be compatible with the requirements of Article 11bis. The exemption does not extend to the use of "loudspeakers" or any sort of speaker arrangement which has the characteristics of a commercial sound system. This interpretation of section 110(5) has been confirmed in recent litigation.[23]

section 110(6): performances at annual horticultural or agricultural fairs

This exemption also appears to be an appropriate subject for a minor reservation. Only one Berne member expressly exempts the performance of music at agricultural (or agricultural-industrial) fairs or expositions.[24] Nonetheless, the activities covered under section 110(6), with its limitations, would probably be exempted under more commonly encountered provisions of Berne Union copyright laws which are similar to section 110(4).[25]

section 110(7): performances in vending establishments

Two states party to the Berne Convention have provisions in their copyright laws closely analogous to section 110(7). Art. 56(I) of the copyright law of the Federal Republic of Germany exempts the public commnication of visual or aduio recordings by businesses which sell or repair equipment for the performance of such works, insofar as the performances are necessary "to exhibit such equipment or devices to the public or for the repair thereof." Austrian copyright law reaches the same result.[26/]

section 110(8) and (9): performance exemptions for handicapped audiences

Only a handful of countries have provisions in their copyright laws relating to the use of works for the benefit of the handicapped. All but one deal principally with the making of reproductions of published works into a format accessible to users who have one or more handicaps which prevent the enjoyment of such works in the formats of conventional mass publication. Most Berne and U.C.C. states deal with the licensing of works for use by the handicapped through voluntary arrangements. The U.S. is the only country which has enacted an exemption permitting the limited use of literary works in broadcasting for the benefit of the handicapped.

Model provisions developed within the Secretariats for the Berne and Universal Conventions to deal with facilitating access by the handicapped to works protected by copyright appear to assume that free use of works for broadcasting in radio-reading services for the visually handicapped is permissible. The question is whether the minor reservations understanding, which does extend to Art. 11bis obligations, is sufficient to include the exemptions in sections 110(8) and (9).[27/]

Certain factors weigh in favour of these exemptions as properly coming within the minor reservations understanding.: section 110(9), in particular, limits the exposure of a dramatic literary work to only one performance, limits the works which may be used to those at least 10 years old as of the date of the performance and requires that the transmission be over special, non-broadcast, facilities.

Section 110(8) draws short of authorizing dramatizations of non-dramatic literary works and the facilities through which the programs may be transmitted to handicapped audiences are also limited--though not as extensively as is the case in section 110(9). Both subsections require that the performances must be without direct or indirect commercial advantage, thereby cutting out performances with gainful intent.

This may be an area of the law in which the U.S. would wish to assert expressly its interpretation of the minor reservations understanding as a part of implementing legislation or as a Senate "understanding" as part of the ratification of the Convention. Given the highly restricted area in which these exemptions operate, such a position is not unreasonable and may command considerable support within the Berne Union.

section 110(10): non-profit performances by fraternal or veterans' organizations

Although arguably less protective of authors' rights than the basic performance exemption in favour of charitable functions, this new exemption does not clearly exceed the limitations imposed in similar provisions of the copyright laws of Berne Union countries. Only Canada appears to have a public performance exemption specifically benefitting "fraternal organizations" and it is limited to performances of musical works.

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1. This is not, however, to say that because a minimum right is not stipulated in the Berne Convention that states party to the Convention are free to ignore other provisions of the Convention when a right is provided for at the national level. Thus, the rule of national treatment in Art. V(1) of the Convention must be applied, even with respect to rights which do not form any [illegible] minima. WIPO, GUIDE TO THE BERNE CONVENTION 101 (1978), hereinafter cited as GUIDE.

2. Art. 10(2) concerning the use of works in teaching contains [illegible] applicability to public performances in schools. However, apart from this limited provision, Articles 11-11ter are not qualified by a provision similar to Article 9(2) of the Convention which concerns the right to reproduction.

3. The GUIDE notes that Art. 11 was revised at Rome, Brussels and Stockholm, but does not mention that exclusivity was achieved in recognizing the right only at Brussels. GUIDE, supra note 1, at [illegible]; 1 LADAS, THE INTERNATIONAL PROTECTION OF LITERARY AND ARTISTIC PROPERTY 424-25 (1938).

4. LADAS, supra note 3, at [illegible].

5. GUIDE, supra note 1, at [illegible].

6. Proposed Revisions and Committees' Reports Prepared by the Belgian Government and the Bureau of the Union, [illegible] 20 [illegible], January, 1947, at [illegible].

7. General Report on the Work of the Diplomatic Conference for the Revision of the Berne Convention, [illegible] U.S. Translation, September, 1948, at [illegible].

8. Report on the Work of Main Committee I, para. 210, in RECORDS OF THE INTELLECTUAL PROPERTY CONFERENCE OF STOCKHOLM (1967), at 1145-1146.

9. The term "minor" should be interpreted on the basis of the established practices of members of the Convention and the ordinary meaning of the word itself in context.

10. For example, the WIPO GLOSSARY OF TERMS OF THE LAW OF COPYRIGHT AND NEIGHBORING RIGHTS defines "fair practice" with reference to key elements in the text of Art. 9(2) of the Berne Convention: absence of a conflict with a normal exploitation of the work and not unreasonably prejudicial to the legitimate interests of the author.

11. All citations to national copyright legislation are to WIPO,UNESCO,BNA, COPYRIGHT LAWS AND TREATIES OF THE WORLD (1983), hereinafter, CLTW

12. GUIDE, supra note 1, at 67.

13. M. Wimmer, The United States Copyright Law and the Berne Convention: The Implications of the Prospective Revision of Each, 2 Copyright 94, 112 (April, 1986); 1 LADAS, supra note 3, at 400.

14. Japanese copyright law has an elaborate exemption concerning performances of works in the course of transmissions for school purposes. While Art. 34(1) of that country's law dispenses with the requirement of prior authorization, it calls for payment of "a reasonable amount of compensation." Austria's copyright law allows literary works to be used, including in broadcasts for schools, "to the extent justified by the purpose." Canada's copyright law, in Sec. 17(3) contains a fairly broad educational exemption for the performance of musical works. Japan's exemption points to compliance with Art. 11bis(2) as the norm; Austria's toward Art. 10(2) of the Convention. USA and Canadian law point nowhere in particular.

15. For example, Sec. 53(2) of the Copyright Statute of Austria; Art. 17c, Copyright Statute of the Netherlands; Sec. 17(3), Copyright Statute of Canada; Sec. 20(a), Copyright Statute of Denmark; Sec. 20, Copyright Statute of Sweden; Art. 52(I)(2), Copyright Statute of the Federal Republic of Germany, all reprinted in CLTW.

16. Section 110(3) extends only to non-dramatic or musical works, whereas, for example, Art., 52(I)(2) of the German copyright law exempts performances of "works" generally at religious services. Section 110(3) exempts certain performances " in the course of services" while German law includes religious "celebrations" as well as more formal services. Certain laws limit relgious exemptions to musical works (e.g., Austria and Canada) while others extend the exemption to all works, except for films or dramatic works (e.g., Sweden, Denmark).

17. Art. 52(I)(1) of the Federal Republic of Germany's copyright law permits the public communication of a work so long as it is done without "gainful purpose" and no admission charges are levied and no payment is made to the performers. Art. 21(2) of the Hungarian copyright law permits the performance of published works " on the occasion of mass meetings (festive processions, etc.)" so long as it does not directly or indirectly "increase receipts" and, so long as performers are not paid. Art. 38(1) of Japan's copyright law permits the free performance of published works(including in transmissions) where there is no profit motive, no admission fees and no payment to performers. Canadian law, in the ubiquitous Art. 17(3) overlaps many of the areas covered by U.S. section 110(4). Articles 20 (c) and (d) of Danish copyright law exempts the public performance of works other than films and dramas where the performance of the works in question are "not the main feature of an

event conducted for other than commercial purposes" or are "in aid of charity." Section 20 of the Swedish copyright law is to the same effect.

18. H.R. REPT 94-1476, 87.

19. GUIDE, *supra* note 1, at 68.

20. *Proposed Revisions and Commentary Thereon....*, *supra* note 6, at 86.

21. Id., 87.

22. Id., 84.

23. *Sailor Music v. The Gap Stores, Inc.*, 516 F. Supp. 923 (SDNY, 1981), *aff'd*, 668 F2d 84 (2d Cir., 1981); *BMI v. United States Shoe Corp.*, 211 USPQ 43 (Cal, CD 1980).

24. Section 17(2)(g), Copyright Statute of Canada.

25. The history of section 110(6) suggests that it evolved out of the more general exception in section 110(4). U.S. Copyright Office, SUPPLEMENTARY REPORT OF THE REGISTER OF COPYRIGHTS ON COPYRIGHT LAW REVISION: 1965 BILL, 38-40. Nimmer notes the occasional overlapping of section 110(4) with other activities exempted in section 110. 2 NIMMER, ON COPYRIGHT, Sec. 8.15(E), note 77.

26. According to Dr. Robert Dittrich, the distinguished copyright specialist with the Austrian Ministry of Justice,

> Use within commercial establishments, the objectives of which comprise the production or distribution of videograms or phonograms or the manufacture or distribution of broadcasting equipment is always permissible insofar as it is necessary in order to properly serve their customers.

R. Dittrich, *Copyright in Austria*, in S. STEWART, INTERNATIONAL COPYRIGHT AND NEIGHBORING RIGHTS 322 (1983).

27. Report of the Working Group on Access toWorks Protected By Copyright By the Visually and Auditory Handicapped, Unesco House, 25-27 October, 1982, UNESCO/WIPO/WGH/I/3, 3 January 1983; Application of the Berne Convention and the Universal Copyright Convention to Material Intended for the Blind, Doc. IG C/IV/15, 5 Nov. 1981 for the Fourth Session of the Intergovernmental Committee of the UCC, 30 November-7 December, 1981 and, in particular, Annex I, "Analysis of Comments of States on a Study by the World Council for the Welfare of the Blind on the Application of the Berne Convention and the Universal Convention to Material Specially Intended for the Blind."

CHAPTER 3 Jukebox License

A. Issue

Is the jukebox license in section 116 of the U.S. Copyright Act compatible with the Berne Convention?

B. Conclusions

We conclude that: (1) with respect to musical works of foreign origin, the jukebox license under the current U.S. statute is probably incompatible with the Convention insofar as it permits the public performance of such works without the consent of the owners of copyright therein; (2) with respect to musical works of U.S. origin, however, the statute is compatible.

C. Relevant Berne Provisions

Article 11(1) of the Berne Convention provides that:

> Authors of dramatic, dramatico-musical and musical works shall enjoy the exclusive right of authorizing:
>
> (i) the public performance of their works, including such public performance by any means or process;
>
> (ii) any communication to the public of the performance of their works.

D. Relevant U.S. Provisions

The jukebox license in section 116 of the Copyright Act is one of four compulsory licenses in the current U.S. statute,[1] and it allows a jukebox operator to perform recorded musical works in public without the consent of the copyright owners upon compliance with the terms and conditions specified under the law.[2] The royalty rate, initially set forth in the statute, is subject to periodic adjustment by the Copyright Royalty Tribunal.[3]

E. Discussion

Article 11(1) of the Berne Convention calls for copyright owners to enjoy the exclusive right of authorizing public performances of their musical works. The reference in Article 11(1)(i) to public performance "by any means or process" is a reference to public performance by means of recordings.[4] Thus, there is no question that performances of recordings on a jukebox in a public place are public performances of the underlying musical works within the meaning of this Article.[5]

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[1] The other three licenses are considered elsewhere in this Report. See Chapter 1, Compulsory Cable License; Chapter 5, Mechanical License; Chapter 8, Public Broadcasting License.

[2] 17 U.S.C. § 116.

[3] See 17 U.S.C. § 804.

[4] See World Intellectual Property Organization, Guide to the Berne Convention for the Protection of Literary and Artistic Works (Paris Act 1971) ¶ 11.4 (1978) ("WIPO Guide"); S. Stewart, International Copyright and Neighbouring Rights 111 (1983).

On its face, the jukebox license in section 116 of the U.S. law deprives copyright owners of the exclusive right of authorizing public performances of their musical works on a jukebox. The only issue, therefore, is whether this compulsory jukebox license represents a permissible exception to the public performance right mandated by the Berne Convention. We believe that section 116 is probably not a permissible exception, at least insofar as it applies to works of foreign origin.[6]

Unlike other provisions of the Convention,[7] the public performance right in Article 11(1) does not expressly sanction compulsory licensing. Thus, the existence of expressly-approved compulsory licenses elsewhere in the Convention makes it difficult to infer the existence of an implied compulsory license in Article 11(1). As William Wallace has noted, "[t]his article does not contain any provisions similar to that of Article 11*bis*(2) [authorizing compulsory licensing of the broadcasting right], and it must be therefore assumed that no exception to the exclusive right is allowed."[8]

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[5] See W. Wallace, United States Copyright Law and the Berne Convention ¶ 7(c) (Mar. 1978) ("Wallace (1978)").

[6] With respect to works of U.S. origin, the Convention provides that protection in the country of origin is governed by domestic law, so that the question of compatibility does not arise. See Foreword.

[7] As discussed elsewhere in this Report, the broadcasting right in Article 11*bis* is expressly made subject to a permissible form of compulsory licensing. See Chapter 1, Compulsory Cable License; Chapter 8, Public Broadcasting License. The right to record musical works also allows a compulsory license under Article 13(1). See Chapter 5, Mechanical License.

It is true that the 1967 Stockholm Conference confirmed that member countries should be allowed to preserve in their national legislation so-called "minor reservations" to Articles 11 and 11*bis*, among others, even though this possibility is not expressly acknowledged in the present text of the Convention.[9] Nevertheless, the Conference made clear that the concept of "minor reservations" was intended to refer to exceptions such as "religious ceremonies, performances by military bands and the requirements of education and popularization";[10]

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[8] W. Wallace, *The New U.S. Copyright Law and Compatibility with the Berne Convention* 14 (Jul. 21, 1977) ("Wallace (1977)").

[9] *See* S. Bergstrom, *Report of Main Committee I* ¶ 209 (1967) ("Stockholm Report"); WIPO Guide at ¶ 11.6.

[10] Stockholm Report at ¶ 209. *See also* WIPO Guide at ¶ 11.6.

there is no indication that it was meant to extend to a system of compulsory licensing. Indeed, if a compulsory license were considered one of the "minor reservations" implicitly permitted under the broadcasting right in Article 11*bis*, there would have been no need to include an explicit compulsory licensing provision in that Article.

Further evidence that compulsory licensing of the public performance right is not permitted under Article 11(1) is found in the history of the mechanical license in Article 13.[11] The 1948 Brussels text of Article 13(1) originally included a right to record musical works *and* to perform them by means of recordings.[12] Both of these rights were subject to compulsory licensing in Article 13(2).[13] At the Stockholm Conference in 1967, it was decided that Article 13(1) was superfluous, both because a general right of reproduction was created for the first time in the Stockholm text and because the right of public performance by means of recordings was already included in the public performance right in Article 11(1).[14] Accordingly, Article 13(1) was eliminated and the compulsory license in Article 13(2) (now renumbered Article 13(1)) was expressly limited to permit a compulsory license only to record musical works but not to perform them.[15] Indeed, one of the arguments advanced in favor of the Stockholm revision of Article 13 was that "[old Article 13(1)] should be deleted in the interest of authors, because the compulsory license cannot apply to the public performance by instruments of mechanical reproduction [i.e., by means of recordings]."[16] Thus, it could scarcely be clearer that the Stockholm Conference intended to disapprove any compulsory license for the public performance of recorded music.[17]

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[11] The mechanical license is discussed in greater detail in Chapter 5 of this Report.

[12] *See* Stockholm Report at ¶ 227; WIPO Guide at ¶ 13.2.

[13] *See* Stockholm Report at ¶ 227; WIPO Guide at ¶ 13.6.

William Wallace, after initially concluding in 1977 that our jukebox license was "probably the only case where such a [compulsory licensing] system is to be considered as incompatible with the provisions of the Berne Convention,"[18] subsequently suggested that the jukebox license might be found permissible under the general consensus of the Stockholm participants that member countries could "take all necessary measures to restrict possible abuse of monopolies."[19] Because it could be argued that section 116 was designed to ensure that there was "no abuse of the monopoly position enjoyed by" the performing right societies in determining the royalty rates of jukebox performances, and because the rate was subject to periodic adjustment in proceedings at which authors would be able to make their case, Wallace was "hesitant" to conclude that section 116 was in conflict with the Convention.[20]

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[14] See Stockholm Report at ¶ 229; WIPO Guide at ¶ 13.2.

[15] See Stockholm Report at ¶ 232; WIPO Guide at ¶ 13.6.

[16] Records of the Stockholm Conference ¶ 1344.4 (1967) (remarks of Mr. Straschnov). It is interesting to note that these remarks were supported by William Wallace. See id. at ¶ 1345.

[17] The Stockholm text of Article 13(1) was confirmed without change at the 1971 Paris Conference, which established the most recent text of the Convention. See WIPO Guide at ¶ 13.6.

This line of argument is not without difficulty. While it is true that the Stockholm Conference acknowledged every member country's sovereign authority to restrict possible "abuse of monopoly," it is not clear that this authority extends to the creation of a compulsory licensing system in cases where none is permitted by the Convention itself. The WIPO Guide indicates only that the "abuse of monopoly" principle sanctions the laws of countries within the Anglo-Saxon legal tradition which provide for tribunals to arbitrate between collecting societies and users of copyrighted works; it does not suggest that these countries may deprive individual copyright owners of the right to consent to the licensing of their works.[21] On the contrary, it was agreed at the Stockholm Conference that Article 17 (under which the "abuse of monopoly" principle was recognized) did not permit a government to introduce any kind of compulsory license.[22] At most, it was conceded that a country could override an author's consent to disseminate a work in order to maintain public order, e.g., "to allow the police to publish or broadcast a photograph of a wanted criminal."[23]

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[18] Wallace (1977) at 13.

[19] Wallace (1978) at ¶ 7(c), quoting from Stockholm Report at ¶ 263. See also WIPO Guide at ¶ 17.4.

[20] Wallace (1978) at ¶ 7(c). A similar argument was recently made by the Director General of the World Intellectual Property Organization in response to written questions submitted by Senator Mathias. See letter from Dr. Arpad Bogsch to Mr. Harvey J. Winter, Attachment at 3 (June 19, 1985).

Another problem with the "abuse of monopoly" argument is that it presupposes that the performing right societies enjoy a "monopoly" in determining the royalty rates for public performances of recorded music -- a conclusion that the U.S. courts have consistently rejected.[24] Thus, even assuming that this principle sanctions a system of compulsory licensing to prevent an "abuse of monopoly," there is no evidence to suggest that such a monopoly exists with respect to the licensing of jukebox performances or that a compulsory license is needed to prevent its abuse.

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[21] See WIPO Guide at ¶ 17.4.

[22] See Stockholm Report at ¶ 262; WIPO Guide at ¶ 17.3.

[23] WIPO Guide at ¶ 17.3.

In recent testimony before the United States Senate, Dr. Arpad Bogsch, WIPO's Director General, argued that the U.S. jukebox license, although "theoretically" providing a lower level of protection than that required by the Berne Convention,[25] is "not of sufficient importance from an economic viewpoint" to require any change in U.S. law to permit Berne adherence.[26] Whatever its political appeal, this economic argument does not appear to overcome the substantive legal incompatibility identified in this Report. In the first place, it may be questioned whether total jukebox royalties amounting to $5,197,548 in 1984[27] are economically unimportant. Certainly, these royalty payments are of considerable economic significance to the industries affected. Second, as a legal matter, it may be doubted whether the Convention sanctions a lower level of protection based upon the relative economic value of the activity involved. It would surely set a dangerous precedent for the United States to argue that an author's right need not be protected where it generates less than $5 million per year in total royalty payments.

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[24] *See* *Broadcast Music, Inc.* v. *Columbia Broadcasting System, Inc.*, 441 U.S. 1 (1979), *on remand sub nom.* *Columbia Broadcasting System, Inc.* v. *American Society of Composers, Authors and Publishers*, 607 F.2d 543 (2d Cir. 1979), *on remand*, 620 F.2d 930 (2d Cir. 1980), *cert. denied*, 450 U.S. 970, *rehearing denied*, 450 U.S. 1050 (1981); *Buffalo Broadcasting Co.* v. *American Society of Composers, Authors and Publishers*, 744 F.2d 917 (2d Cir. 1984), *cert. denied*, 53 U.S.L.W. 3597 (1985); *K-91, Inc.* v. *Gershwin Publishing Corp.*, 372 F.2d 1 (9th Cir. 1967), *cert. denied*, 389 U.S. 1045 (1968); *Broadcast Music, Inc.* v. *Moor-Law, Inc.*, 527 F. Supp. 758 (D. Del. 1981), *aff'd. mem.*, 691 F.2d 490 (3d Cir. 1982).

[25] *Hearing Before the Senate Subcommittee on Patents, Copyrights and Trademarks, Senate Judiciary Committee*, 99th Cong., 1st Sess., unofficial transcript at 12 (May 16, 1985) (remarks of Dr. Bogsch).

In response to written questions, Dr. Bogsch also suggested that the jukebox license should be regarded as compatible on the ground that coin-operated jukeboxes "may well be on their way out since better techniques and less bulky devices are taking their place."[illegible] Whatever the future may hold for the coin-operated jukebox, it is not clear how this prediction of its future obsolescence can rectify the incompatibility that is found on the face of the present statute.

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[26] Id. at 23. See also letter from Dr. Arpad Bogsch to Mr. Harvey J. Winter, Attachment at 2 (June 19, 1985) (where Dr. Bogsch argues in response to a written question from Senator Mathias that "the economic significance, for authors and composers, of the use of [jukebox] players is marginal").

[27] Telephone Interview with George Lanier, Licensing Division, Copyright Office (August 5, 1985).

Two recent developments relating to the jukebox license also deserve to be mentioned. First, in testimony before the United States Senate, the Copyright Office has taken the position that the jukebox license "appears to be inconsistent with the minimum obligations of Article 11(1) of the Berne Convention."[illegible] The Copyright Office has reiterated this position in response to written questions submitted by Senator Mathias.[illegible]

Second, representatives of the principal performing right societies and the jukebox owners have announced a voluntary agreement concerning future compliance with

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[illegible] Letter from Dr. Arpad Bogsch to Mr. Harvey J. Winter, Attachment at 2 (June 19, 1985).

[illegible] Statement of Donald C. Curran, Associate Librarian of Congress and Acting Register of Copyrights, Copyright Office, Before the Senate Subcommittee on Patents, Copyrights and Trademarks, Senate Judiciary Committee, 99th Cong., 1st Sess. 34 (May 16, 1985).

[illegible] See Letter from Donald C. Curran, Acting Register of Copyrights, to Senator Charles McC. Mathias, Attachment at 2 (July 3, 1985) ("The jukebox license is the only major incompatible compulsory license.").

the jukebox license.[31] Under this agreement, jukebox owners may obtain a rebate from the jukebox compulsory license fee if they satisfy certain conditions agreed to between the parties, including compliance with all the provisions of the copyright law for the year in which the rebate is sought. The rebate scheme will be administered by the parties, and rebates will be issued by the performing right societies after receipt of their compulsory license fees. The agreement also contains other provisions designed to encourage jukebox owners to comply with the existing law and regulations.

This voluntary agreement does not appear to resolve the basic incompatibility between the statutory jukebox license and the Berne Convention. Obviously, it does not purport to modify the statute itself. Most significantly, it does not afford copyright owners the exclusive right of authorizing jukebox performances of their works. At most, it represents a voluntary adjustment of the amount of fees paid under a compulsory license, not an agreement to substitute voluntary licensing for compulsory licensing.

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[31] See Press Release, "Music Performing Rights Organizations and Jukebox Owners Reach Agreement" (May 13, 1987). It should be stressed that our analysis of the agreement is based solely on this press release. The agreement itself has not been publicly disclosed.

Finally, it bears noting that there is no Berne member nation whose law provides for compulsory licensing of jukebox performances.[33]

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[33] Telephone interview with Gillian Davies, Associate Director General and Chief Legal Adviser, International Federation of Phonogram and Videogram Producers (May 17, 1985). But see letter from Dr. Arpad Bogsch to Mr. Harvey J. Winter, Attachment at 2 (June 19, 1985) (arguing that jukebox performances are subject to "a de facto compulsory licensing system" in several Berne countries).

Chapter 4: Domestic Manufacturing Requirements

A. Issue: Is Section 601 of the 1976 Copyright Act compatible with the Berne Convention?

B. Conclusion: Section 601 is not compatible with the Berne Convention to the extent that it applies to works of foreign origin.

C. Relevant Berne Provisions

Article 5(1) of the Convention provides:

> Authors shall enjoy, in respect of works for which they are protected under this Convention in countries of the Union other than the country of origin, the rights which their respective laws do now or may hereafter grant to their nationals as well as the rights specifically granted by this Convention.

Article 5(2) further provides that the "enjoyment and the exercise of these rights shall not be subject to any formality."

D. Relevant U.S.A. Provisions

Section 601 of the U.S. copyright Act (copy attached) prohibits importation and distribution in the United States of copies of any U.S.-copyrighted work consisting preponderantly of non-dramatic literary material in English, unless manufactured in the U.S. or Canada. There are several exceptions to this ban including: works of foreign authors not domiciled here on the date of importation; up to 2,000 copies of any work covered by the clause may be brought into the U.S. under and Import Statement; works of U.S. authors domiciled abroad or first published abroad, under specified conditions; etc. Section 601 ("the manufacturing clause") is enforced by seizure provisions under Section 603 and by allowing failure of domestic manufacture as a defense to actions for infringement of the publishing rights in a work imported in violation of Section 601.

E. Discussion

There can be no doubt that the manufacturing clause is a formality within the meaning of, and prohibited by, Article 5(2) of the Berne Convention.[1] Despite its substantial liberalization in the 1976 Copyright Act, failure to comply with the conditions of Section 601 causes a suspension of the enforceability of fundamental rights in non-dramatic literary works, as well as authorizing the seizure by the Customs Service of copies of works sent to the U.S. for distribution.

By limiting the right of an author or other copyright owner to exercise rights of public distribution and reproduction in non-dramatic literary materials to copies manufactured locally, Section 601 conditions the "enjoyment" of copyright. By conditioning the power of an aggrieved rightsholder to enforce reproduction and distribution rights against infringers upon local manufacture of copies, Section 601 impedes the "exercise" of copyright.

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[1] The WIPO *Glossary of the Terms of the Law of Copyright and Neighboring Rights* states:

> Some countries still require in the field of copyright compliance with *certain formalities* such as copyright notice, *deposit*, *registration* or *manufacture* in those countries. (emphasis added)

Section 601 can be applied to works of U.S. origin, for the reasons discussed in the introduction to these papers. It cannot be applied to works of whose country of origin is a state of the Berne Union, whether created by foreign or U.S. authors. For example: if a U.S. author's work is first published in the United Kingdom that is its country of origin. Under Berne, the U.S. could not apply Section 601 or 603 to importation of copies, even if the work did not qualify for the exemption granted by Section 601(b)(7).

Copyrighted non-dramatic literary works of foreign authors may also be caught up in the proscriptions and penalties of the clause. A valid claim to copyright by a foreign author may exist in a contribution to a collective work consisting substantially of U.S.-authored contributions. In such cases--of particular concern in connection with compilations and collective works--foreign authored material may become subject to the manufacturing requirements of Section 601.

CHAPTER 5 Mechanical License

A. Issue

Is the mechanical license in section 115 of the U.S. Copyright Act compatible with the Berne Convention?

B. Conclusion

We conclude that the mechanical license is compatible with the Convention.

C. Relevant Berne Provisions

Article 13(1) of the Berne Convention provides that:

> Each country of the Union may impose for itself reservations and conditions on the exclusive right granted to the author of a musical work and to the author of any words, the recording of which together with the musical work has already been authorized by the latter, to authorize the sound recording of that musical work, together with such words, if any; but all such reservations and conditions shall apply only in the countries which have imposed them and shall not, in any circumstances, be prejudicial to the rights of these authors to obtain equitable remuneration which, in the absence of agreement, shall be fixed by competent authority.

D. Relevant U.S. Provisions

The mechanical license in section 115 of the Copyright Act, one of four compulsory licenses in the current U.S. statute,[1] permits any person to make and distribute phonorecords of a nondramatic musical work (including any accompanying words) without the copyright owner's consent upon compliance with the terms and conditions specified under the law.[2] The mechanical license is available only after the owner of copyright in the underlying musical work has first authorized the distribution of phonorecords embodying the work.[3] The royalty rate under the mechanical license, initially prescribed by Congress, is subject to periodic adjustment by the Copyright Royalty Tribunal.[4]

E. Discussion

According to Claude Masouye, Article 13(1) of the Berne Convention is expressly intended to allow "member countries to provide for compulsory licenses to record musical works."[5] To satisfy the Convention requirements, any compulsory licensing system must include the following features: (1) the owner of copyright in the underlying musical work (including any accompanying words) must already have consented to an earlier recording of the work;[6] (2) the compulsory license must apply only in the country granting it;[7] and (3) the copyright owner must obtain "equitable remuneration" fixed, in the absence of agreement, by "competent authority."[8] This last requirement means that the country must lay down a "proper procedure" to determine a fair remuneration, *e.g.*, "by fixing the level of compensation . . . or by setting up a tribunal to arbitrate the point between the parties."[9] In addition, the compulsory licensing scheme must not prejudice the moral rights afforded by Article 6*bis* of the Convention.[10]

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[1] The other three compulsory licenses are considered elsewhere in this Report. See Chapter 1, Compulsory Cable License; Chapter 3, Jukebox License; Chapter 8, Public Broadcasting License.

[2] 17 U.S.C. § 115.

[3] 17 U.S.C. § 115(a)(1).

[4] See 17 U.S.C. § 804.

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[5] World Intellectual Property Organization, *Guide to the Berne Convention for the Protection of Literary and Artistic Works (Paris Act, 1971)* ¶ 13.6 (1978) ("WIPO Guide").

[6] *See* WIPO Guide at ¶ 13.8.

[7] *See* WIPO Guide at ¶ 13.9.

[8] Article 13(1). *See also* WIPO Guide at ¶ 13.9.

[9] WIPO Guide at ¶ 11*bis*.16.

[10] *See* WIPO Guide at ¶ 13.9; S. Stewart, *International Copyright and Neighbouring Rights* 115 (1983). The question of moral rights is considered in greater detail in Chapter 6 of this Report.

There is uniform agreement that section 115 of the U.S. Copyright Act is compatible with these Convention requirements.[11] Our mechanical license clearly satisfies the three main conditions for compulsory licensing set forth in Article 13(1), and it contains an explicit recognition of the more important moral rights.[12] It is also worth noting that similar mechanical licenses exist in other countries -- including the United Kingdom and West Germany -- which were expressly cited at the 1967 Stockholm Conference of Berne members as a model for the present text of Article 13(1).[13]

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[11] See Statement of Donald C. Curran, Associate Librarian of Congress and Acting Register of Copyrights, Copyright Office, Before the Senate Subcommittee on Patents, Copyrights and Trademarks, Senate Judiciary Committee, 99th Cong., 1st Sess. 47 (May 16, 1985); W. Wallace, The New U.S. Copyright Law and Compatibility with the Berne Convention 13 (Jul. 21, 1977); W. Wallace, United States Copyright Law and the Berne Convention ¶ 7(a) (Mar. 1978).

[12] Section 115(a)(2) provides that "[a] compulsory license includes the privilege of a making a musical arrangement of the work to the extent necessary to conform it to the style or manner of interpretation of the performance involved, but the arrangement shall not change the basic melody or fundamental character of the work, . . ." 17 U.S.C. § 115(a)(2) (emphasis added). This provision appears to satisfy the moral right to object to distortion, mutilation, or modification of the underlying musical work. The other aspect of the moral right -- the right of authorship -- is discussed in Chapter 6 of this Report.

[13] See S. Bergstrom, Report on the Work of Main Committee I ¶ 236 (1967) ("Stockholm Report"); S. Stewart, supra, at 115. The Stockholm text of Article 13(1) was confirmed at the 1971 Paris Conference, which established the most recent text of Article 13(1). See WIPO Guide at ¶ 13.6.

CHAPTER 6 Moral Rights

A. Issue

Is protection of "moral rights" in the U.S. compatible with the Berne Convention?

B. Conclusion

Given the substantial protection now available for the real equivalent of moral rights under statutory and common law in the U.S., the lack of uniformity in protection of other Berne nations, the absence of moral rights provisions in some of their copyright laws, and the reservation of control over remedies to each Berne country, the protection of moral rights in the United States is compaptible with the Berne Convention.

C. Relevant Berne Provisions

The provisions on moral rights are contained in Article 6bis:

> (1) Independently of the author's economic rights, and even after the transfer of the said rights, the author shall have the right to claim authorship of the work and to object to any distortion, mutilation, or other modification of, or other derogatory action in relation to, the said work, which would be prejudicial to his honor or reputation.
>
> (2) The rights granted to the author in accordance with the preceding paragraph shall, after his death , be maintained, at least until the expiry of the economic rights, and shall be exercisable by the persons or institutions authorized by the legislation of the country where protection is claimed. However, those countries whose legislation, at the moment of their ratification of or accession to this Act, does not provide for the protection after the death of the

author of all the rights set out in the preceding paragraph may provide that some of these rights may, after his death, cease to be maintained.

(3) The means of redress for safeguarding the rights granted by this Article shall be governed by the legislation of the country where protection is claimed.

(D) Relevant U.S. Provisions

There are no explicit "moral rights" provisions in the United States Copyright Act. The relevant federal statutory provisions and other sources of protection are:

1. Sec. 106 (2) of the Copyright Act, which grants authors the exclusive right to make derivative works based on their works; and section 101 which defines "derivative work" to include abridgements, condensations, editorial revisions or other modifications. In addition, the mechanical license of Section 115 (a)(2) contains a moral rights provision. (See CHAPTER 5, Mechanical License)

2. Sec. 43(a) of the Lanham Act (15 U.S.C.A. 1125(a)), which prohibits false designations of origins of works, including intellectual and artistic works, and prohibits false descriptions and representations of such works.

3. Decisions under Sec. 43(a).

4. State and Federal decisions protecting various rights equivalent to those granted in Article 6*bis* under state common law principles.

5. State statutes protecting rights equivalent to those granted by Article 6*bis*.

(E) Discussion

1. SOURCE OF PROTECTION

Our Copyright Act and Sec. 43(a) of the Lanham Act do not protect all the moral rights specified by Berne. Even assuming that state common law protected those rights not secured by Federal statutes, would that satisfy the Berne requirement that redress be governed by the "legislation" of the country where protection is claimed?

Dr. Boythe, in his Copyright Office presentation (6/84) said that

> "several member states of the Berne Union still do not have statutory provisions for the protection of moral rights. The wording of the Berne Convention leaves sufficient room for implementation of Article 6*bis* in various ways."

William Wallace, in his memorandum annexed to Letter C.425 (7/79) says that U.S. copyright law does not differ markedly from that of Great Britain or other members whose copyright laws do not contain moral rights provisons, but "rely on their general law, including particularly the law of defamation, to meet these convention obligations."

It appears state law can fill the gaps in federal protection of moral rights. Dr. Bogsch advises that "legislation", as used in in Article 6*bis*, includes a country's decisional as well as statutory law. Australia has a federal system and no moral rights provision in its national legislation, and its adherence to Berne is unchallenged.

2. CATEGORIES OF MORAL RIGHTS

Various foreign countries have recognized one or more of the following categories of moral rights:

(a) The right of publication.

(b) The right of recall.

(c) The right to claim authorship.

(d) The right to protect the integrity of the work.

3. THE RIGHT OF PUBLICATION

Some Berne countries (e.g. West Germany and France) grant a _moral_ right of publication, i.e. a right to decide whether, and in what form, the work shall be presented to the public. Other Berne countries do not grant that right, as distinct from a copyright right of publication, e.g. Denmark, India, Italy, and Sweden. The moral right of publication is not provided for in the Berne Convention; see: GUIDE TO THE BERNE CONVENTION [Paris Act, 1971] (herein "WIPO Guide"), pp. 42-3. Consequently, absence of a moral right of publication in the United States would not pose any incompatibility with Berne. The U.S. Copyright Act. moreover, does grant authors the exclusive right of publication (section 106(3)).

4. THE RIGHT OF RECALL

Some Berne countries (e.g. West Germany, France and Italy) grant the author a moral right to withdraw a work from use if it no longer represents the author's views. Several Berne countries that grant grant moral rights in their legislation do not include a right of recall. (e.g. Belgium, Denmark, Netherlands, and Norway). The Berne convention does not explicitly grant a right of recall, and the absence of that provision from the laws of several members indicates that "recall" cannot be considered a right granted by Article 6bis. Absence of a right of recall in U.S. law would not, therefore, constitute an incompatibility with Berne.

5. THE RIGHT TO CLAIM AUTHORSHIP

1. PROVISIONS OF BERNE MEMBERS

Article 6bis grants "the author the right to claim authorship of the work...". The phrase encompasses the author's rights: to have the work published anonymously or pseudonymously, to prevent it from being attributed to another author; and to prevent his name from being applied to the work of another person. (WIPO Guide, p. 41)

Most Berne members grant the right to claim authorship, in varying forms, in their legislation. However some Berne nations do not grant the right to claim authorship or other moral rights: i.e. Australia, Ireland, Liechtenstein, and South Africa. The United Kingdom's Copyright Act does not grant moral rights but does prohibit anyone from affixing a person's name to a work if he is not the author. But the provision (section 43) does not grant an author the right to have his name placed on the work. Switzerland's copyright statute prohibits use of an author's name on copies of a reproduction not originating from him, and failing to indicate the source in cases where the law requires. But the statute does not contain any other moral rights provisions, although it does give Swiss authors the protection of moral rights provided in Berne's Article 6bis.

(c) U.S. PROTECTION OF THE RIGHT TO CLAIM AUTHORSHIP

The Copyright Act does not grant authors a right to claim authorship. It does require that the "author" of a work be named in its application for registration. But that does not afford the protection commonly understood to be provided in Art. 6bis -- affirmative moral right of paternity -- the author's right to have his or her name placed on the work. (WIPO Guide, p. 41)

No other United States statute explicitly grants the right to claim authorship, nor do state statutes provide that protection. A few states provide a right of paternity in works of graphic art (N.Y. Gen. Business Law, Article 12J, Sec. [illegible] (McK. Supp. 1985)), but do not extend the right to authors of other works. Most states do not even grant that limited statutory protection.

However, as some commentators explain, sufficient protection of the right to claim authorship is provided by a combination of common-law rights and section 43(a) of the Lanham Act (federal "Act" [illegible]) to satisfy Article 6bis. (See, e.g. Nimmer, IMPLICATIONS OF THE PROSPECTIVE REVISIONS OF THE BERNE CONVENTION AND THE UNITED STATES COPYRIGHT LAW, 19 Stanford Law Review 499, 518-521, (February 1967) (although courts have stated that "moral rights" do not exist under U.S. law (e.g., Geisel v. Poynter Products, 295 F. Supp. 331, 340 (S.D.N.Y. 1968)), it is doubtful the rights of paternity and integrity are adequately protected by other legal principles and statutory provisions. (See the summary of

United States law should be recognized as sufficiently compatible with Article 6*bis*.

(i) THE RIGHT TO BE IDENTIFIED AS AUTHOR

(a) Contract Theory

As Professor Nimmer points out, some decisions have held that an author cannot require that his name be applied to his work unless the contract explicitly requires it. NIMMER ON COPYRIGHT(1984) (herein cited as "NIMMER), Sec. 8.21[E]. E.g. Harris v. Twentieth Century-Fox Film Corp. 43 F.Supp. 119 (S.D.N.Y. 1942); Vargas v. Esquire, Inc. 164 F.2d 522 (7th Cir. 1947).

Although the name of authors who are not employees-for-hire usually are applied to their work in many media: e.g. books, magazine articles, graphic works, sheet music, records, etc. -- the *Vargas* opinion concluded there was no implied obligation to do. But more recent opinions involving literary property have emphasized the implied covenant of fair dealing. Van Valkenburgh v. Hayden, 30 N.Y. 2d 34 (1972); see also: Zilg v. Prentice-Hall, 717 F.2d 671 (2d Cir. 1983) [implied covenant of good faith imposed obligations as to number of copies and amount of promotion a publisher must provide]. Given the prevailing practice of attributing authorship, the public policy favoring it, the cataloging practices of libraries , the public interest in identifying authors of works, and the inherent unfairness of withholding recognition of paternity, it is likely that courts will apply the implied covenant of fair dealing or good faith to require identification of authors when there is a direct or indirect contractual nexus. Of course, where the contract for use explicitly requires identification, the courts will enforce it; and injunctive relief should be available. cf. Harms, Inc. v. Tops Music Enterprises, 160 F. Supp. 77 (S.D. Cal. 1958)

(b) Unfair Competition Theory

As Professor Nimmer notes, Smith v. Montoro, 684 F.2d 602 (9th Cir. 1982) indicates, in dicta, that omission of an author's name from his work may constitute a "an implied reverse passing off" and thus violate section 43(a) of the Lanham Act . Although the prior *Vargas* opinion rejected a similar contention, publication without attribution of authorship does suggests that the work is a work-made-for hire; or, to laymen, that the publisher or producer was responsible for creating the work rather than the actual author. This is a false designation of origin under section 43(a).

(c) Tort Theory

Omission of an author's name can cause him economic injury, and a user's refusal or failure, without just cause, to attribute paternity may constitute a wilful/prima facie tort.

(ii) PROHIBITING IDENTIFICATION OF ANOTHER AS CREATOR OF THE AUTHOR'S WORK

Professor Nimmer says that the rights to prevent false identification of authorship "are more completely recognized within the United States. Thus, an author of a work may prevent the false identification of another as the author", citing DeBekker v. Stokes Co. 106 App. Div. 452, *modified*, 172 App. Div. 960 (1916); Harris v.

20th- Century Fox Film Corp., 43 F. Supp. 119 (S.D.N.Y. 1942); and Jones v. American Law Book Co., 125 App. Div. 519 (1908). (19 Stanford Law Review, p. 499). False-identification of another as author also may give rise to a claim by the actual author under Sec. 43(a) of the Lanham Act. Smith v. Montoro, 648 F.2d 602, and section 43(a) cases cited below.

(iii) PROHIBITING IDENTIFICATION OF THE AUTHOR AS CREATOR OF ANOTHER'S WORK

Several decisions have sustained an author's right not to be falsely identified as creator of someone else's work. Some decisions have found false identification to violate section 43(a) of the Lanham Act: e.g, Follett v. Arbor House, 497 F. Supp. 304 (S.D.N.Y 1980) and Geisel v. Poynter Products, Inc., 295 F. Supp. 331. (S.D.N.Y. 1968). Section 43(a) cases involving recording artists also invoke the same theory of protection.

Protection also may be granted on the ground that false attribution of authorship is a libel: e.g., Clevenger v. Baker Voorhis & Co., 8 N.Y.2d 187 (1960)and 14 N.Y. 2d 536 (1964); Ben Oliel v. Press Pub. Co. 251 N.Y. 250 (1929); and Kerby v. Hal Roach Studios, 53 Cal. App. 2d 207 (1942). Authors also may have redress on the theory that false attribution violates their common-law or statutory right of privacy/publicity: e.g., Eliot v. Jones, 120 N.Y.S. 989 (Sup. Ct. 1910) Jaeger v. American International Pictures, Inc., 330 F. Supp. 274 (S.D.N.Y 1971).

6. THE RIGHT TO PROTECT THE INTEGRITY OF THE WORK

I. PROVISIONS OF BERNE MEMBERS

Article 6*bis* gives the author the "right...to object to any distortion, mutilation, or other modification" of the work "which would be prejudicial to his honor ore reputation." As written, the clause does not permit "objection" to all changes in a work, only to those that prejudice the author's honor and reputation. Similarly, the second aspect of the right, to object to "other derogatory action in relation to" the work, is subject to the condition: "which would be prejudical to his honor or reputation."

The WIPO Guide says that this "formula is very elastic and leaves a good deal of latitude for the courts." Berne-member legislation also is is elastic -- stretching from total absence of statutory protection of integrity to detailed provisions in countries such as Germany.

II. PROTECTION OF INTEGRITY IN THE UNITED STATES

(i) Copyright Act Protection

The Copyright Act does not grant a general moral right to prevent distortion, mutilation or other modification of a work.[*] Section 106(2) does, however, prevent any one from making a derivative work based on the author's work without his consent. And a "derivative work", as defined in seccition 101, includes abridgements, condensations, or any other "forms in which a work may be recast, transformed or adopted", including "editorial revisions" or"other modifications." Thus, as commentators have noted, unauthorized "distortion, mutilation or other modifications" would be actionable as infringements -- whether or not prejudicial to the author's honor or reputation.

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[*] However, a specific moral right is granted in the Mechanical License of Section 115(a)(2).

(ii) Section 43(a) Protection

Courts Increasingly have granted authors protection for the integrity of their work under section 43(a) of the Lanham Act. A leading case is Giiliam v. American Broadcasting Co., 538 F.2d 14 (2d Cir. 1976). See also: Jaeger v. American International Pictures, Inc., 330 F.Supp. 274 (S.D.N.Y 1971); Prouty v. NBC, 26 F. Supp. 265 (D.Mass. 1939) ; Autry v. Republic Productions, 104 F. Supp. 918 (S.D. Cal. 1952).

(iii) Other Grounds for Protection

Some decisions have indicated that protection against mutilation, distortion or other modifications can be obtained under a claim of libel: Kerby v. Hal Roach Studios, 53 Cal. App. 205 (1942); Edison v.Viva Intl. Ltd., 70 A.D. 2d 379 (1980); Clevenger v. Baker Voorhis & Co., 8 N.Y.2d 187 (1960) and 14 N.Y.2d 536 (1964). Too, publication under the author's name, with unauthorized changes, may violate his right of privacy or publicity. Zim v. Western Publishing Co., 573 F2d. 1318 (5th Cir. 1978); Jaeger v. American International Pictures, Inc., 330 F. Tion. 274 (S.D.N.Y 1971); Big Seven Music v. Lennon et al., 554 F.2d 504 (2d Cir. 1977); Stevens v. NBC, 76 Cal Reptr. 106. (1969)

It also is conceivable that courts will extend protection against substantial invasions of integrity by invoking implied covenants of fair dealing and good faith, and also resorting to industry practice to close contractual loopholes that have sometimes shielded users who make substantial changes that affect the author's honor or reputation.

7. COMPATABILITY OF U.S. AND BERNE PROTECTION FOR MORAL RIGHTS

Although the United states does not have a statute that grants, in haec verba, the moral rights set forth in Article 6bis there are substantial grounds for concluding that the totality of U.S. law provides protection for the rights of paternity and integrity sufficient to comply with 6bis, as it is applied by various Berne countries. Several do not explicitly grant moral rights in their statutes. There is not a comprehensive body of case law from each and every Berne country against which the sufficiency of U.S. law can be tested for compatibility. And the cumulative protection of U.S. law indicates that substantial recognition is provided for the right of paternity and the right of integrity, particularly given the "elasticity" of the formula for the latter right, which "leaves for a good deal of latitude to the courts." WIPO Guide, p. 42.

8. DURATION OF RIGHTS

Berne appears to require protection until the author's economic rights expire , but it does grandfather, to some degree, the termination of protection on death. The WIPO GUIDE states that the Convention "allows the Union countries to permit one of the rights comprising the moral right to lapse, after" the author's death. (p. 42) Moreover, protection under various of the U.S. sources, e.g. section 106(2) of the Copyright Act, section 43(a) of the Lanham Act and and implied covenants, would survive the author's death and be available to his heirs.

9. TRANSFERABILITY OF MORAL RIGHTS

Does Berne require protection of moral rights after the author transfers them? The language of Article 6 can be read to suggest that the protection survives alienation. However, some Berne-member legislation prohibits various incursions of the right of integrity "without the author's consent." Professor Nimmer, discussing the interpretation that the rights are alienable, cites Sr. Caselli, Rapporteur of the Rome conference (19 Stanford Law Review, 524). The WIPO Guide (p.423) suggests the rights are inalienable, but says that "However, on this point, too, the courts have some freedom of action."

10. SELF-EXECUTION

Would U.S. adherence to Berne expand the rights of authors, and grant them new causes of action not now available under existing statutes or common law? Leaving aside the general principles and decisions governing the "self-executing" effect of ratification of treaties, it should be noted that Article 6*bis* specifically reserves to the country in which protection is claimed control over the "means" of providing "redress for safeguarding the rights granted by this article...", providing that those means of redress "shall be governed by its legislation." [Par.(3)]

Applied literally, the paragraph would foreclose the granting of remedies for violation of Berne moral rights, unless U.S statutes or existing common law provided those remedies dehors Berne.

# # # #

CHAPTER 7. Notice

A. Issue:

Are the notice requirements of Sections 401, 402 of the Copyright Act of 1976 in conflict with the provision of the Berne Convention?

B. Conclusion:

With respect to works of foreign origin, the provisions of Section 401 of the U.S. law are incompatible with the provisions of Article 5 (2) of the Berne Convention. With respect to works of U.S. origin, the Convention provides that protection in the country of origin is governed by domestic law, so that the question of compatibility does not arise. See Foreword.

C. Relevant Berne Provisions:

Article 5, paragraph (2) of the Berne Convention states:

> (2) The enjoyment and the exercise of these rights shall not be subject to any formality; such enjoyment and such exercise shall be independent of the existence of protection in the country of origin of the work. Consequently, apart from the provisions of this Convention, the extent of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where protection is claimed.

D. Relevant U.S. Provisions:

Section 401 of U.S. laws requires that copyrighted works contain the symbol "©" or the word "copyright" or an abbreviation, the year of publication, and the name of the owner. Section 402 has similar provisions for sound recordings. Section 405 states that the failure to provide notice does not invalidate copyright if the notice was omitted from a relatively small number of copies, or if registration has been or is made within five years after the publication of the copies from which the notice is omitted and a reasonable effort is made to add notice to copies distributed in the U.S. after the omission is discovered, or if notice was omitted in breach of an express condition imposed by the copyright owner.

E. Discussion:

The failure to meet the notice requirement of Section 401 of U.S. law could lead to the loss of copyright. Article 5, paragraph (2) of Berne considers this kind of provision a breach of the Berne Convention.

Section 405 does not cure this incompatibility. The Berne prohibition on formalities is not dependent on the number of copies subject to the requirement, nor does it permit the substitution of another formality (registration) or a delayed formality of the same notice (efforts to add notice) to assure protection. And the Convention does not permit the imposition of formalities where the copyright owner himself fails to comply with them, or fails to especially require compliance by others.

There is a debate whether sound recordings are covered by separate conventions and therefore not subject to Berne. Thus no comment is made about Section 402 and its compatibility with Berne.

CHAPTER 8 Public Broadcasting Compulsory License

A. Issue: Is the public broadcasting compulsory license provision of the United States Copyright Act, 17 U.S.C. § 118, compatible with the Berne Convention?

B. Conclusions:

1. The public broadcasting compulsory license is compatible with the Berne Convention in the performing rights area.
2. It is not clear whether the public broadcasting compulsory license is compatible with the Berne Convention in the reproduction rights area.

C. Relevant Berne Provisions: The Berne Convention requires that the author enjoy exclusive rights over public performances by broadcasting. Article 11 bis (1)(ii) states:

> (1) Authors of literary and artistic works shall enjoy the exclusive right of authorizing:
>
> . . .
>
> (ii) any communication to the public by wire or by rebroadcasting of the broadcast of the work, when this communication is made by an organization other than the original one

However, the Berne Convention also allows such rights to be exercised under a system of compulsory licensing as long as the author has the right to "equitable remuneration" in the absence of voluntary agreement, which remuneration "shall be fixed by competent authority". Article 11 bis (2) states:

> (2) It shall be a matter for legislation in the countries of the Union to determine the conditions under which the rights mentioned in the preceding paragraph may be exercised, but those conditions shall apply only in the countries where they have been prescribed. They shall not under any circumstances be prejudicial to the moral rights of the author, nor to his right to obtain equitable remuneration which, in the absence of agreement, shall be fixed by competent authority.

Article 11 bis (3) allows for the making of "ephemeral recordings," which are limited to those made by "a broadcasting organization by means of its own facilities and used on its own broadcasts":

> (3) In the absence of any contrary stipulation, permission granted in accordance with paragraph (1) of this Article shall not imply permission to record, by means of instruments recording sounds or images, the work broadcast. It shall, however, be a matter for legislation in the countries of the Union to determine the regulations for ephemeral recordings made by a broadcasting organization by means of its own facilities and used for its own broadcasts. The preservation of these recordings in official archives may, on the ground of their exeptional documentary character, be authorized by such legislation.

Article 9 (2) allows for reproduction of literary and artistic works "in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author":

> (2) It shall be a matter for legislation in the countries of the Union to permit the reproduction of such works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author.

D. Relevant U. S. Provisions: The 1976 Copyright Act contains a compulsory license which allows public broadcasting entities to: 1) perform or display published nondramatic musical works and pictorial, graphic, and sculptural works in the course of transmissions by noncommercial educational broadcast stations; and 2) produce such programs for such transmissions, entailing reproduction of the works (including the "synchronization" right for music, and the reproduction of pictorial, graphic and sculptural works, on film or videotape). 17 U.S.C. § 118. License fees are arrived at voluntarily by the copyright owners and public broadcasting entities; in the absence of an agreement, the Copyright Royalty Tribunal sets a "reasonable" license fee.

Discussion: The public broadcasting compulsory license appears to fall within the provisions of Article 11 bis (2) insofar as the performing right (and, by analogy, the display right) is concerned. Voluntary license agreements are in force; should the compulsory license be invoked, the "reasonable" compulsory license fees to be determined by the Copyright Royalty Tribunal would likely meet the requirement that they be "equitable" and fixed by "competent authority".

The question as regards reproduction rights is not so clear-cut. The reproduction could not be justified under the "ephemeral recording" provisions of Article 11 bis (3), because such recordings are limited to those made by "a broadcasting organization by means of its own facilities and used on its own broadcasts." Such is not the case here, where independent, non-broadcasting-organization program producers have the benefit of the compulsory license. It might be argued that the public broadcasting compulsory license does not fit the "special cases" exception of Article 9 (2), for the Convention specifically lists the permissible (and thus, by inference, the impermissible) compulsory licenses; no compulsory license is specifically allowed for any reproduction right other than the mechanical right. On the other hand, it might be argued that the limited compulsory license for reproduction rights granted in

§ 118, for a limited class of works (published musical and pictorial, graphic and sculptural works) and a limited class of users (public broadcasting entities) is such a special case, meets the other tests of Article 9 (2), and is therefore compatible with the letter and spirit of Article 9.

CHAPTER 9: REGISTRATION, RECORDATION AND DEPOSIT

A. ISSUES:

1. Are the registration provisions of Sec. 405 (a) (2), 405(b), 408(a), 410(a), 411 and 412 of the U.S. Copyright Law compatible with the Berne Convention?
2. Are the recordation provisions of Sec. 205(c)(2) and 205(d) of the U.S. Copyright Law compatible with the Berne Convention?
3. Are the deposit provisions of Sec. 407 and 408 of the U.S. Copyright Law compatible with the Berne Convention?

B. CONCLUSIONS [1]

1. Registration
   - a. With respect to works of foreign origin [2], Sec. 405(a) is incompatible with Berne since subsection (2) thereof refers to registration as a cure for omission of notice.
   - b. It is unclear whether Sec. 405(b) which governs relief against innocent infringers is compatible with Berne.
   - c. Sec. 408 is compatible with Berne since its permissive registration requirements are not a condition of copyright protection.

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[1] Actual practices in a number of Berne countries are set forth in the Appendix.

[2] "With respect to works of U.S. origin, the Convention provides that protection in the country of origin is governed by domestic law, so that the question of compatibility does not arise. See Foreward."

d. Sec. 410(c) is compatible with Berne, since it only deals with the evidentiary effect of a certificate of registration.

e. Sec. 411 is compatible with Berne to the extent that it requires registration of a work of which the U.S. is the country of origin and is not compatible with Berne to the extent that it requires registration of a work of which the U.S. is not the country of origin as a prerequisite to instituting an infringement action.

f. Sec. 412 is compatible with Berne since it deals with certain specific remedies rather than the ability to obtain redress at all.

2. Recordation

With respect to works of foreign origin [3/], Sec. 205(d) is incompatible with Berne, since it requires recordation as a prerequisite to suit and thereby may affect the exercise of copyright.

3. Deposit

a. Sec. 407 is compatible with Berne, since the mandatory deposit is not a condition of copyright protection.

b. Sec. 408 is compatible with Berne, since the required deposit is not a condition of copyright protection.

[3/] Id.

C. RELEVANT BERNE PROVISIONS

Formalities of Registration, Recordation and Deposit

1. Art. 5, par. (2): AUTOMATIC PROTECTION AND INDEPENDENCE OF PROTECTION

   (2) The enjoyment and the exercise of these rights shall not be subject to any formality; such enjoyment and such exercise shall be independent of the existence of protection in the country of origin of the work. Consequently, apart from the provisions of this convention, the extent of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where protection is claimed.

2. Art. 5, par. (4): DEFINITION OF THE COUNTRY OF ORIGIN OF A WORK

   (4) The country of origin shall be considered to be:

   (a) in the case of works first published in a country of the Union, that country; in the case of works published simultaneously in several countries of the Union which grant different terms of protection, the country whose legislation grants the shortest term of protection;

   (b) in the case of works published simultaneously in a country outside the Union and in a country of the Union, the latter country;

   (c) in the case of unpublished works first published in a country outside the Union, without simultaneous publication in a country of the Union, the country of the Union of which the author is a national, provided that:

   (i) when these are cinematographic works the maker of which has his headquarters or his habitual residence in a country of the Union, the country of origin shall be that country, and

   (ii) when these are works of architecture erected in a country of the Union or other artistic works incorporated in a building or other structure located in a country of the Union, the country

D. RELEVANT U.S. PROVISIONS

1. Registration and Recordation

a. Sec. 205(c)(2): RECORDATION AS CONSTRUCTIVE NOTICE.

Recordation of a document in the Copyright Office gives all persons constructive notice of the facts stated in the recorded documents, but only if . . . registration has been made for the work.

b. Sec. 205(d): RECORDATION AS PREREQUISITE TO INFRINGEMENT SUIT.

No person claiming by virtue of a transfer. . . is entitled to institute an infringement action. . . until the instrument of transfer. . . has been recorded in the Copyright Office. . .

c. Sec. 405(a)(2): EFFECT OF OMISSION ON COPYRIGHT.

(a) The omission of the copyright notice does not invalidate the copyright in a work if. . . registration. . . has been made before. . . five years after the publication without notice, and a reasonable effort is made to add notice to all copies or phonorecords that are distributed. . . after the omission has been discovered. . .

d. Sec. 405(b): EFFECT OF OMISSION ON INNOCENT INFRINGERS.

Any person who innocently infringes a copyright, in reliance upon an (omission of). . . notice. . . incurs no liability. . . for any infringing acts committed before receiving actual notice that registration. . . has been made. . . if. . . he. . . was misled by the omission. . . . . . in such a case the court may allow. . . recovery of. . . profits. . . may enjoin the continuation. . . or may require. . . the infringer pay. . . a reasonable license fee. . . on terms fixed by the court.

e. Sec. 408(a): REGISTRATION PERMISSIVE.

At any time. . . the owner. . . may obtain registration. . . by delivering. . . the deposit specified. . . together with the application and fee. . .

f. Sec. 410(c): (Certificate)

In any judicial proceedings the certificate of a registration made. . . within five years after first publication of the work shall constitute prima facie evidence of the validity of the copyright and of the facts stated in the certificate.

g. Sec. 411(a): (Prerequisite to suit)

> . . . no action for infringement of the copyright in any work shall be instituted until registration of the copyright claim has been made. . .

h. Sec. 412: Registration as prerequisite to certain remedies for onfringement

> In any action. . . no award of statutory damages or of attorney's fees. . . unless. . . registration is made within three months after the first publication of the work.

2. Deposit

a. Sec. 407: Deposit of copies or phonorecords for Library of Congress.

(a) . . . the owner of. . . a work published with notice of copyright in the United States shall deposit, within three months after the date of such publication-

(1) two complete copies of the best edition; or

(2) if the work is a sound recording, two complete phonorecords of the best edition, together with any printed or other visually perceptible material published with such phonorecords.

b. Sec. 408: Copyright registration in general.

(b) DEPOSIT FOR COPYRIGHT REGISTRATION.
Except as provided by subsection (c), the material deposited for registration shall include-

(1) in the case of an unpublished work, one complete copy or phonorecord;

(2) in the case of a published work, two complete copies or phonorecords of the best edition;

(3) in the case of a work first published outside the United States, one complete copy or phonorecord as so published;

(4) in the case of a contribution to a collective work, one complete copy or phonorecord of the best edition of the collective work.

Copies or phonorecords deposited for the Library of Congress under section 407 may be used to satisfy the deposit provisions of this section. . .

E. DISCUSSION

1. Registration and Recordation

Registration of copyright is permissive under the U.S. Copyright Act. Sec. 408(a), captioned "REGISTRATION PERMISSIVE," provides that registration "may" be obtained, and that "such registration is not a condition of copyright protection." (See also Sec. 102(a), which states: "Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression. . . .")

While registration is permissive, it is a prerequisite to bringing an action for copyright infringement under Sec. 411(a). In like manner Sec. 205(d) makes recordation of transfers or assignments a prerequisite to infringement actions by the assigness or transferees.[4/] Further, under Sec. 412, no award of statutory damages (Sec. 504) or attorney's fees (Sec. 505) may be made for "(1) any infringement of copyright in an unpublished work commenced before the effective date of its registration; or (2) any infringement of copyright commenced after first publication of the work and before the effective date of its registration, unless such registration is made within three months after the first publication of the work."

Moreover, timely registration has the following consequences:

a. Omission of a proper copyright notice from copies or phonorecords may be cured within five years. Sec. 405(a)(2).

[4/] In testimony before the Senate Subcommittee on Patents, Copyrights and Trademarks of the Senate Judiciary Committee on May 16, 1985, the Associate Librarian of Congress and Acting Register of Copyrights Donald C. Curran took the position that the present registration system is compatible with the Berne Convention citing only "ample legal justification for the view" and without authority other than "the view of the Copyright Office" that registration and recordation as prerequisites to an infringement suit are permissible because they do not affect the existence of copyright. His remarks do not address the issue of registration and recordation as prerequisites to an infringment suit as affecting "the enjoyment and the exercise" of copyrights which is usually identified as the area of incompatibility with Berne.

b. An innocent infringer may be relieved of liability for infringing acts committed before receipt of actual notice. See WIPO "Guide to the Berne Convention," which states in Par. 16.5 on page 98 that "all sanctions on infringers are left to national legislation." Sec. 405(b).

c. A certificate of registration may constitute prima facie evidence in any judicial proceeding. Sec. 410(c).

d. Recordation of a document in the Copyright Office may give constructive notice of the facts therein stated. Sec. 205(c)(2).

2. Deposit

a. Mandatory Deposit Under Section 407.

Subject to exemptions that the Register of Copyrights may make by regulation, the owner of copyright or of the exclusive right of publication in a work "published with notice of copyright in the United States" is required under Section 407(a) to deposit within three (3) months after the date of such publication (1) two complete copies of the best edition[5], or (2) if the work is a sound recording, two complete phonorecords of the best edition[6], together with any printed or other visually perceptible material published with such phonorecords.

The foregoing requirement applies only to works published with notice of copyright in the United States. However, the House Report accompanying the 1976 Copyright Act (H. Rep. No. 94-1476, 94th Cong., 2d Sess., 1976) states at p. 151: "Although the basic deposit requirements are limited to works 'published with notice of copyright in the United States,' they would become applicable as soon as a work first published abroad is published in this country through the distribution of copies or phonorecords that are either imported or are part of an American edition."

Sec. 407(a) expressly provides that these deposit requirements are not conditions of copyright protection. However, under Sec. 407(d), at any time after publication explained above, the Register of Copyrights may make written demand for the required deposit, and unless deposit is made within three months after the demand is received, the copyright owner or owner of the exclusive right of publication is liable to monetary penalties.

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[5] "Best edition" is defined in Sec. 101 as the "edition, published in the United States at any time before the date of deposit, that the Library of Congress determines to be most suitable for its purposes." 37 C.F.R. §202.19(b)(ii) provides that criteria for selection of the "best edition" from among two or more published editions of the same version of the same work are set forth in "Best Edition of Published Copyrighted Works for the Collections of the Library of Congress" in effect at the time of deposit. 37 C.F.R. 202.19(b)(iii) further elaborates on "best edition."

[6] Id.

Sec. 407(b) provides that the deposit is to be made in the Copyright Office for the use and disposition of the Library of Congress. See also Sec. 704(b): "In the case of published works, all copies, phonorecords, and identifying material deposited are available to the Library of Congress for its collections, or for exchange or transfer to any other library."

Pursuant to Sec. 407(c), the Register of Copyrights is empowered to issue regulations exempting categories of material from the deposit requirements or allowing for alternate forms of deposit. The Register of Copyrights has issued regulations under this Section, which are set forth in 37 C.F.R. 202.19. The exceptions were apparently intended to apply to materials that the Library of Congress neither needs nor wants for its archival purposes. H. Rep. No. 94-1476, supra at p. 150.

b. Deposit With Registration Under Sec. 408.

Deposit is a necessary element of registration.

In contrast to the Sec. 407 deposit requirements for works first published in the United States, the deposit requirements of Sec. 408 apply to unpublished works and to works first published outside the United States.

Pursuant to Sec. 408(c)(1), the Register of Copyrights is empowered to issue regulations requiring or permitting, for particular classes, the deposit of identifying materials instead of copies or phonorecords, or the deposit of one (1) copy or phonorecord where two would normally be required. However, entire categories of works may not be exempted, in contrast to Sec. 407. The Copyright Office regulations under this section are published in 37 C.F.R. 202.20.

A deposit under Sec. 407 will satisfy the Sec. 408(b) deposit requirements if such deposit is accompanied by the prescribed application and fee, and by any additional identifying material that the Register may require by regulation. (See Sec. 408(b); 37 C.F.R. 202.20(e), 202.19(f)(1).)

Registration (with its attendant deposit requirements) is not a condition of copyright protection, but a copyright cannot be enforced and protected absent a registration (and as appropriate, recordation). Compliance with Sec. 407 mandatory deposit is not a condition of copyright protection. Failure to comply may result only in monetary penalties.

3. Berne Convention

Under the Berne Convention, copyright protection may not be conditioned on the observance of any formalities. Art. 5(2) of the 1971 Paris Revision provides: "The enjoyment and the exercise of these rights shall not be subject to any formality. . ." The term "formality" is not defined. This provision, however, is believed to have been inserted originally to force France to eliminate the then mandatory nature of its registration system.

Under the Berne Convention, registration, recordation and deposit may be required in the country of origin of a work as a precondition to the enjoyment and/or exercise of copyright. Where a country is not the country of origin, however, it cannot make registration, recordation or deposit a precondition to the enjoyment or exercise of copyright.

Under the Berne Convention, each member country which is not the country of origin of the work must afford some degree of protection and relief from copyright infringement not conditioned upon registration, recordation or deposit.

a. Registration and Recordation

A number of Berne countries have permissive registration, apparently not regarded as a formality. (See Appendix).[7] While Sec. 408(a) of the U.S. law provides that registration is permissive, Section 411 makes registration a prerequisite to enforcing the copyright in an action for infringement. None of the Berne countries having a permissive registration procedure makes such registration a prerequisite to enforcing the copyright. Such a precondition may well be viewed as affecting the "enjoyment" and "exercise" of the copyright and hence be considered a formality under the Berne Convention. In S. Stewart, International Copyright and Neighbouring Rights, Par. 5.35 (1983), the author states at p. 106:

> "In the United States for instance, which has a registraiton system, non-registration does not deprive the author completely of his copyright but he cannot sue for an infringement without registering his copyright first. Thus, if the United States became a member of the Berne Convention the registration system as such would not constitute a violation of the Convention, because the 'existence" of the right does not depend on it. However the necessity to register before bringing an action would probably be regarded as a 'formality' as it negates the 'exercise' of the right without such registration."

See also M. Gabay, "The United States Copyright System and The Berne Convention," 26 Bull. Copr. Soc'y. 202, 208 (1979), who states that the U.S. registration provisions:

> ". . . would certainly seem to offend the "exercise' of the rights (if not the 'enjoyment') vested in a copyright owner as determined in Art. 5(2) of the Berne Convention. It is true that registration is 'permissive' and does not, under the 1976 Act, constitute a condition precedent for acquisition of copyright. But these factors merely give rise to a bare right that is incapable of being exercised in a U.S. court law until registration is effected."

Accord, Note, "Abandon Restrictions, All Ye Who Enter: The New United States Copyright Law and the Berne Convention," 9 N.Y.U.J. Int'l. L. & Pol. 455, 473 (1977).

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[7] The copyright statute of each Berne member has not been reviewed, and thus there may be other countries with copyright registration provisions.

Further, M. Gabay, supra, suggests that registration also becomes a mandatory formality conflicting with Art. 5(2) of the Berne Convention under the U.S. law as an alternative to notice in order to avoid the invalidation of copyright where notice has been omitted under Sec. 405(a)(2). M. Gabay, supra at 208-09. Accord, M. Nimmer, "Implications of the Prospective Revisions of the Berne Convention and the United States Copyright Law," 19 Stan. L. Rev. 499, 513 (1967).

Where registration is necessary for copyright protection in the Berne countries noted above, such formality is not applied to non-nationals of that country. Art. 5(3) of the Paris revision of Berne states that "Protection in the country of origin is governed by domestic law," and the Berne Convention does not preclude a member nation from imposing formalities where it is the country of origin. S. Stewart, supra Par. 5.35 at p. 106 ("The country of origin may subject the work to any formalities it chooses as a matter of domestic law, but outside the country of origin the author if he is a 'Union Author' is entitled to protection in any country of the Union without any formalities."); World Intellectual Property Organization, Guide to the Berne Convention for the Protection of Literary and Artistic Works (Paris Act, 1971) (1978) 33, 34, 35.[8]

The fact that registration affords certain benefits would not appear to constitute an impermissible formality. In Canada, India, and Mexico, registration is evidence of the validity of the copyright. Cf. Sec. 410(c) of the U.S. law. In Canada, registration precludes an innocent infringement defense. Cf. 405(b) of the U.S. law. It has also been suggested that Section 412 of the U.S. law, which makes registration a condition precedent to an award of statutory damages and attorney's fees, would not offend Article 5(2) of the Berne Convention since the Berne Convention does not require that a country provide for such recoveries. M. Gabay, supra at 209-10; M. Nimmer, supra at 514.

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[8] Uruguay and Argentina exempt foreigners from their registration requirements if they have complied with the requirements of protection in their countries of origin. However, Art. 5(2) of the Berne Convention provides that enjoyment and exercise of rights "shall be independent of the existence of protection in the country of origin of the work," and thus it is difficult to reconcile these statutes with Berne.

b. Deposit.

Some Berne member countries have registration systems as noted above outside their respective copyright laws, some of which also include deposit. In addition, a number of Berne member countries require deposits for national libraries. Note Appendix.[9]

Deposit requirements, such as those listed in the Appendix, while mandatory, and while subjecting a publisher to monetary penalties for noncompliance, do not affect the enjoyment or exercise of the copyright, and hence would not appear to be considered formalities. S. Stewart, supra 5.35 at 106, so states. Sec. 407 of the U.S. law, while providing for mandatory deposit, and also subjecting the copyright owner to monetary penalties for noncompliance, expressly provides that the deposit requirement is not a condition of copyright protection. Accordingly, Sec. 407 should not present an obstacle to U.S. adherence to Berne.

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[9] The copyright statute of every Berne member has not been reviewed, and thus there may be other countries with deposit requirements.

APPENDIX

REGISTRY AND DEPOSIT SYSTEMS OF SOME BERNE MEMBERS

The following survey is intended to be illustrative rather than exhaustive. The countries examined were selected as having contemporary copyright laws and practices. The information about each does not necessarily include all registers and systems, but is intended to provide a sampling of systems used in developed countries.

ARGENTINA:

Under the Copyright Statute, registration, accomplished by deposit, is mandatory for published works. Under Art. 57, the publisher must deposit copies of a work within three (3) months of publication. Art. 61 makes deposit "compulsory for the publisher" and failure to comply is punishable by fine. Further, it is such deposit that "fully secures the rights of the author in his work and those of the publisher in his edition." (Art. 62).

Art. 63 provides: "Failure to register shall result in the suspension of the rights of the author until such registration is accomplished. The rights of the author shall be recovered by the act of registration for the corresponding term and under corresponding conditions, without prejudice to the validity of the reproductions, editions, performances or any other publications made during the time the work was unregistered."

AUSTRALIA:

A voluntary register is maintained by the Australian Copyright Council to provide commerical information to the public with respect to books. This is designed to assist those in remote locations who otherwise would have difficulty in determining the proper seller/licensor of the desired materials.

Sec. 201 of the Copyright Act provides that the publisher of any "library material" (as therein defined) published in Australia and in which copyright subsists under the Act shall within one month of publication deliver a copy at its own expense to the National Library, failure to do so subjecting the publisher to a monetary fine.

BRAZIL:

Art. 17 of the Law on the Rights of Authors and Other Provisions allows for permissive registration.

CANADA:

The Canadian Copyright Act has a permissive registration procedure. Sec. 37(2) provides that the author, publisher, or owner of, or other person interested in the copyright of a work "may" cause the particulars respecting the work to be entered in the register. The statute does not provide that such registration is a condition of copyright protection or to its enforcement. However, registration does confer two advantages. Under Sec. 36(2), a registration certificate is evidence that copyright subsists in the work and that the person registered is the owner of the copyright. Under Sec. 22, if in an infringement proceeding the defendant alleges that he was unaware of the copyright in the work, plaintiff is limited to injunctive relief if defendant proves he was unaware of the copyright on the date of infringment and had no reasonable grounds to suspect copyright subsisted. However, if on the date of infringement the copyright was registered, the defendant shall be deemed to have had reasonable grounds for suspecting that copyright subsisted.

Because it is not used now as extensively as when it was originally created, the current copyright revision proposals recommend dismantling the proposal.

The Canadian Copyright Act does not contain a deposit provision. However, the National Library Act (R.S.C. 1970), in section 11, requires that where a book is published in Canada, the publisher, at its own expense, must deposit two (2) copies (if the retail value of the book is not more than $50.00) to the National Librarian within one week of publication. Failure to make such deposit is an offense and may result in a fine. Sec. 11(4).

COSTA RICA:

The Law on Copyright and Related Rights contains a permissive registration procedure. Art. 101 provides that copyright protection originates with the mere fact of creation, independently of any procedure or formality. Art. 102 provides that for greater security, the owners of copyright and related rights "may" register their works, such registration having merely declaratory effect. (Arts. 106-108 set forth deposit requirements to accompany registration.)

CHILE:

Art. 1 of the Copyright Statute provides that copyright is acquired by the sole fact of creation, but Arts. 72-77 makes registration (with accompanying deposit) obligatory for works and for contracts for the assignment of rights. However, Art. 2 provides that the rights of foreign authors not domiciled in Chile enjoy the protection to which they are entitled by virtue of the national conventions which Chile has subscribed to and ratified.

E.E.C.:

The Fifth Films Directive of the council of the E.E.C. proposes a Public Films Register designed to provide better safegards to those who finance films. The register would record economic rights and related commercial information. It is noted that France, Belgium and Italy already have such registers. Thus, this would function as a Community-wide lien register for films.

FRANCE:

The Centre National de la Cinemetographie (CNC) maintains a public register with legal effect that operates not only as a lien register, but also has effect on titles, subsidies and related matters. The registration number is required for both French and foreign films in order to exhibit the film in France.

The existing collection societies for literary authors and music composers maintain deposit systems for works registered with them.

Obviously, compliance is high with registration in the public register and with registration and deposit in the voluntary collection society registries.

A deposit systems for films is maintained but Cinematheque Francaise, which is purely voluntary as to foreign films.

A proposal has been made that the public film register include television.

GERMANY:

The censorship board maintains a film title register of titles submitted for censorship. This registry has no legal effect.

The collection societies maintain registries of their members' works, certainly at least for music and separately for sound carriers (records and tapes) and artistes.

INDIA:

Chap. X of the Copyright Act, entitled "Registration of Copyright," allows for permissive registration. Pursuant to Art. 44, a register is established in which works "may" be entered. Under Art. 45(l), the author, publisher, owner, or other interested person "may make an application." The statute does not provide that copyright protection or the enforcement thereof are conditioned upon registration. However, under Art. 48, the copyright register is *prima facie* evidence of the particulars entered therein, and documents purporting to be copies of any entries therein or extracts therefrom certified by the Registrar are admissible in evidence in the courts.

MEXICO:

The Copyright Statute allows for permissive registration. Art. 7 provides that copyright protection inheres on creation and fixation. While Chap. VII establishes a registration procedure (including attendant deposit, Art. 130), Art. 8 provides that works remain protected even when they have not been registered. However, entries in the Register shall create the presumption that the facts and acts therein stated are correct, unless the contrary is proved. (Art. 122).

Pursuant to a decree of 1965, Mexican publishers are required to send to two designated libraries two copies of each of the editions of books, periodicals, and reviews published with commercial objectives (and in certain cases if distributed gratuitously). If a publisher is in default and fails to comply within 30 days of notice, it is liable to a monetary fine.

SWEDEN:

For printed publications, there has been a mandatory deposit requirement for national works since 1661. There are also archives for films (Swedish Film Institute), radio and television programs, (Swedish Broadcasting Corporation) and audio and video (National Archives of Recorded Sound and Moving Images). Deposits in the selected depositories include all material connected with Sweden and having a special documentary character plus other desired material. Such deposits are voluntary and covered by agreements.

The recording of the deposits by the archives is in the form of an informal register.

UNITED KINGDOM:

A film title registry is maintained by the British Film and Television Producers Association. A separate register is currently maintained by the Department of Trade for subsidy, screen quota and similar purposes. It is designed to record those films which can be properly designated as British and those which can not, since those which are British benefit from both the subsidy and the screen quota.

The Board of Trade registry focuses on nationality and production costs unlike the French register which focuses on financing, production, ownership and exhibition of French films with lesser information for foreign films.

The British Film Institute maintains a voluntary deposit system for films and generally is able to obtain copies of most British films as well as major foreign films under voluntary negotiated agreements.

Sec. 15 of the Copyright Act of 1911 (which was not repealed by the Copyright Act of 1956 (Sec. 50(2)) requires the delivery of copies of books to the British Library Board. Sec. 15(1) provides that the publisher of every "book" (defined in subsection (7)) published in the U.K. shall within one month of publication deliver at its own expense a copy thereof to the British Library Board. (As of July 1, 1973, delivery is to the British Library Board instead of the British Museum, pursuant to the British Library Act of 1972.) Under Sec. 15(2), if written demand is made before the expiration of 12 months after publication, the publisher must also deliver within one month of receipt of demand, or if demand is made before publication, then within month after publication, a copy of the book in accordance with the directions of the authority having control of certain designated libraries. If the publisher fails to comply, it is liable on summary conviction to a fine. Sec. 15(6).

URUGUAY:

Under the Copyright Statute, registration is mandatory. Art. 6 provides that entry in the appropriate Register shall be required in order to secure protection under the law. Registration, with accompanying deposit, is to be made within two (2) years of the date of publication, exhibition, or performance, in Uruguay, or three (3) years where a Uruguayan publishes, exhibits, or performs abroad. (Art. 53). However, Article 6 makes an exception for foreign works: "In the case of foreign works, it shall be sufficient to prove compliance with the requirements of their protection in the country of origin, in accordance with the laws in force therein."

However, the statute provides an exemption for foreign works. Art. 13 specifically exempts Art. 57 from applicability to works published in foreign countries, whatever may be the nationality of their authors, provided they belong to countries which recognize copyright. Further, Art. 14 provides that in order to secure the protection of Argentine law, the author of a foreign work need only prove fulfillment of the formalities established for the protection of the work by the laws of the country in which publication took place.

MISCELLANEOUS:
(General Observations)

Obviously, collective management societies, such as performing rights licensing societies must maintain registry systems in connection with the works they represent. In Civil Law countries and those which have adopted neighboring rights legislation, there are usually a number of societies which record and register a variety of rights.

In many countries, broadcasters and telecasters are required to maintain broadcast logs and to file these with the appropriate ministries.

Deposit systems are common for printed publications (more so for books then periodicals) with the deposits being maintained by the national library. These collections have sometimes been expanded to include sound recordings and occasionally moving images. Film collections are commonly maintained by government entities and, in no case outside the United States are these mandatory for foreign works.

Where designs are considered major subjects of protection, design registries are normally maintained, with legal effect.

CHAPTER 10: Renewal And Duration

A. Issue

Are the renewal provisions of §304(a) and the durational provisions regarding anonymous or pseudonymous works of §302(c) of the Copyright Law compatible with the Berne Convention?

B. Conclusion

The renewal registration requirement and duration of renewed copyrights under the Copyright Law with respect to works of foreign origin are incompatible with Berne because of the imposition of formalities and a shorter than required total term.

The duration of anonymous and pseudonymous works of foreign origin under U.S. Law is incompatible with Berne because those such works published more than 50 years after creation would be protected for less time than Berne requires.

C. Relevant Berne Provisions

The provisions of the Berne Convention that will be discussed herein are as follows:

> Article 5(2):
>
> The enjoyment and exercise of [the Berne] rights shall not be subject to any formality....
>
> Article 5(3)
>
> Protection in the country of origin is governed by domestic law....

Article 7(1):

The term of protection granted by this Convention shall be the life of the author and fifty years after his death.

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Article 7(3):

In the case of anonymous or pseudonymous works, the term of protection granted by this Convention shall expire fifty years after the work has been lawfully made available to the public. However, when the pseudonym adopted by the author leaves no doubt as to his identity, the term of protection shall be that provided in paragraph (1). If the author of an anonymous or pseudonymous work discloses his identity during the above-mentioned period, the term of protection applicable shall be that provided in paragraph (1). The countries of the Union shall not be required to protect anonymous or pseudonymous works in respect of which it is reasonable to presume that their author has been dead for fifty years."

Article 7(6):

The countries of the Union may grant a term of protection in excess of those provided by the preceding paragraphs.

Article 18(1):

This Convention shall apply to all works which, at the moment of its coming into force, have not yet fallen into the public domain in the country of origin through the expiry of the term of protection.

Article 18(4):

The preceding provisions shall also apply in the case of new accessions to the Union....

Article 30(1):

...[R]atification or accession shall automatically entail acceptance of all the provisions and admission to all the advantages of this Convention.

Article 36(2):

> It is understood that, at the time a country becomes bound by this Convention, it will be in a position under its domestic law to give effect to the provisions of this Convention.

D. Relevant U.S. Provisions

Section 304(a) of the U.S. Copyright Law provides that if renewal registration is timely made, protection for works which were in their first term of copyright on January 1, 1978 will exist for a total term of 75 years from first copyright. If renewal registration is not properly secured, such works will fall into the public domain at the end of their 28th year.

Section 302(c) of the Copyright Law provides that the term of anonymous and pseudonymous works runs for the shorter of 75 years from first publication or 100 years from creation. If before the end of that term, the author's identity is revealed in Copyright Office records, the term will revert to the revealed author's life plus 50 years.

E. Discussion

Two provisions of Berne seem to be at odds with the renewal provisions contained in Section 304(a) of the Copyright Law. The most obvious conflict is with Article 7(1). Since all works not written anonymously or under a pseudonym that were in their first term of copyright on January 1, 1978, even if renewed, generally will have a total term of protection of 75 years from first copyright, the duration afforded by the Law seems to be an obstacle to Berne, inasmuch as in many cases a term of protection at least equal to life-plus-fifty will not exist. Despite the fact that we are in compliance with the Berne copyright term now with respect to works created since January 1, 1978, read together, Articles 18 and 36 of Berne nevertheless seem to command a strict adherence to the Article 7(1) durational requirement for prior works. Second, even if 75 years from first copyright would equal or exceed a term of protection measured by the author's life plus fifty years, the formality of mandatory registration in order to acquire the renewal term at the risk of losing copyright protection violates the prohibition of Article 5(2). Inasmuch as Article 18(1) of Berne brings existing copyrighted works under the Convention, all first-term copyrights would automatically be embraced. As such, the renewal registration requirement, as well as the possible shorter duration for this group of covered works, would constitute barriers to our accession, since, although such works are subject to Berne, U.S. law imposes criteria for their continued protection, forbidden by Article 36(2).

However, since Article 5(3) of Berne provides that domestic law controls works in the country of origin, the seeming conflicts with the Convention do not act as impediments to accession with respect to U.S. works. See Foreward. For a discussion as to whether the provisions of Berne Article 18(3) might be interpreted to make renewal registration and shortened duration compatible with the Convention, see Chapter 11, RETROACTIVITY.

With respect to anonymous and pseudonymous works, comparison of Section 302(c) of the Copyright Law and Article 7(3) of Berne reveals that Berne provides for a 50 year duration following public availability (rather than "publication", to account for works disseminated by a public authority, such as folklore, but the distinction is not significant enough in the context of this discussion to be relevant) with the shorter life-plus-fifty term when it is clear who is using the pseudonym or the author reveals himself within 50 years of public availability. U.S. law only gives a term of the shorter of 75 years from first publication or 100 years from creation and reverts back to life-plus-fifty if the author is revealed in copyright records before the term expires.

Because of the 25-year differential between the creation and publication date reference points in the Law and the same differential between the U.S. law's publication date reference and Berne's public availability time frame, a significant number of works are likely to end up with a longer term in the U.S. than under Berne, if the facts allow. For example, an anonymous work created in 1980 which is published in 1985 will have its copyright protection under U.S. law expire in 2060; under Berne, the work would have expired in 2035. This pattern is true with respect to works published less than 50 years after their creation. This result presents no problem, since the Berne term is a minimum requirement.

However, there will likely be a body of works whose dates of creation and publication in the U.S. could cause them to have a shorter term than Berne, thus being in contravention of Article 7(3). If a work created in 1980 was not published until 2035, the Copyright Law would cause protection to end in 2080 (100 years from creation being shorter than 75 years from publication); Berne, however, would protect it until 2085, 50 years after publication, assuming that publication is the first "public availability" of the work. Given this possibility, the Law as it now reads constitutes an impediment to Berne as regards this group of works when they are of foreign origin, since again, Articles 18 and 36 would command a strict adherence to the fifty years after public availability term at the date of accession for all works. As previously indicated, the shorter term resulting in these cases would not be an impediment to Berne with respect to U.S. works, by virtue of the provisions of Article 5(3).

CHAPTER 11 Retroactivity[1]

A. Issue

1. Is U.S. treatment of pre-accession works that have not yet fallen into the public domain in their country of origin through the expiration of the term of protection compatible with Article 18 of the Berne Convention?

2. Do the retroactivity provisions of Article 18 provide a possible basis for reconciling §304 of the U.S. Copyright Act (requiring renewal of certain pre-1978 works) with other provisions of the Berne Convention?

B. Conclusion

1. The retroactivity provisions of the Berne Convention are clearly an issue to be addressed in connection with Berne accession. Because it initially appears to focus on whether a work is or is not in the public domain in its country of origin, the Berne Convention may require some "revival" or "recapture" of copyright in works now in the public domain in this country. To the extent it does so, questions of practical, legal and perhaps even Constitutional dimension are raised.

a. In any event, the relevant provisions of the Convention, taken together, seem to offer sufficient flexibility to reach an accommodation with U.S. law and interests. The details of this accommodation, including several alternatives, require more detailed consideration.

b. However, in view of current initiatives to improve protection of U.S. intellectual property abroad, and the handling in that context of certain issues pertaining to retroactive protection of U.S. works in particular countries, the Berne retroactivity issue must be carefully handled to avoid prejudicing or compromising meaningful protection of U.S. works from foreign piracy.

2. Article 18(3) (second sentence) of the Berne Convention

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[1] Although chapter 10 discusses possible conflicts between 17 U.S.C. §304 (renewals) and the Berne Convention, this chapter will also deal with one aspect of that question.

may provide a basis for reconciling, as a special transitional case, the renewal requirements of 17 U.S.C. §304 with the normal Berne requirements governing duration and precluding formalities. See fn. 7 & accompanying text; cf. Chapter 10.

C. Relevant Berne Provisions

Article 18 of the Berne Convention provides:

> "(1) This Convention shall apply to all works which, at the moment of its coming into force, have not yet fallen into the public domain in the country of origin through the expiry of the term of protection.
>
> "(2) If, however, through the expiry of the term of protection which was previously granted, a work has fallen into the public domain of the country where protection is claimed, that work shall not be protected anew.
>
> "(3) The application of this principle shall be subject to any provisions contained in special conventions to that effect existing or to be concluded between countries of the Union. In the absence of such provisions, the respective countries shall determine, each insofar as it is concerned, the conditions of application of this principle.
>
> "(4) The preceding provisions shall also apply in the case of new accessions to the Union and to cases in which protection is extended by the application of Article 7 or by the abandonment of reservations." (Emphasis added.)

D. Relevant U.S. Provisions

There are no explicit retroactivity provisions of general application in the U.S. Copyright Act. However, Sec. 103 of the Transitional and Supplementary Provisions of P.L. 94-553 (October 19, 1976), enacting the Omnibus Copyright Revision Act of 1976, provided that that Act "does not provide protection for any work that goes into the public domain before January 1, 1978." Additionally, possibly pertinent provisions of the U.S. Constitution and legislative history of the 1976 Act are noted in the discussion below.

E. Discussion

1. The Initial Principle

Articles 18(1) and (4) appear to require a newly adhering country to apply the Convention, and hence protect, "all works which [then] have not yet fallen into the public domain in [their] country of origin through the expiry of the term of protection." (The "country of origin" is, generally, a Berne country of first or simultaneous publication. See Foreword.) This principle is substantially different from the retroactivity rule of the Universal Copyright Convention, which determines a new adherent's obligations with respect to pre-existing works by considering their status in that country. See UCC Art. VII.

There are a number of cases where works may be protected in their Berne country of origin at the time of U.S. adherence, yet be in the public domain in the United States. Strict application of Articles 18(1) and (4) would therefore appear to require their "recapture" or "renewal" from the public domain in this country. These cases may include the following classes:[2]

a. Published works that did not meet the national eligibility requirements of the 1909 or 1976 Copyright Acts upon first publication. (This would include foreign works first or simultaneously published in a Berne country or, in some cases, of a Berne national wherever published, where the Berne country was not also a UCC member or in another copyright relationship with the U.S., or publication occurred prior to the UCC or other relationship.)

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[2] There may be an additional class: once-protected works which entered the public domain in the U.S. prior to adherence for failure of renewal. These would seem to be exempt from retroactivity and recapture under Berne Art. 18(2). (Note: this is separate from the question of whether existing renewal requirements [17 U.S.C. §304] could be applied to Berne origin works after adherence. See Chapter 10.) But arguments may be made that an "expiry of. . .term of protection which was previously granted" [Art. 18(2)] did not contemplate an "expiry" attributable to the failure to take an action (i.e., file a renewal) as opposed to the automatic expiration of a single term of years -- particularly where the need for action was unknown to the foreign creator and/or ignored or "mishandled" by its domestic licensee, and is alien to Berne and virtually all other foreign copyright laws.

Another case for possible consideration under Article 18 is that of categories of works, if any, "protected" under Berne Article 2(1) but possibly "not protected" under the 1976 and/or 1909 U.S. Acts. It seems most appropriate to treat these issues, if at all, in connection with subject matter rather than retroactivity. See Chapter 13.

b. Works, other than those subject to *ad interim* copyright, first published outside of the U.S. without notice prior to January 1, 1978 (unless omission was excused under the 1909 Act). (*Note*: it is unclear whether such works did in fact enter the public domain in the U.S. Case law is conflicting. A Copyright Office position that such publication -- at least after June 18, 1959 -- did forfeit U.S. protection is open to substantial question and has not been tested.)

c. Works first or subsequently published within the United States without notice prior to January 1, 1978 (unless omission was excused under the 1909 Act).

d. Works published on or after January 1, 1978 and prior to Berne adherence, other than in compliance with the notice provisions of 17 U.S.C. Ch. 4, where such omission is not excused and can no longer be cured.

e. Works published prior to January 1, 1978, in violation of the domestic manufacturing and *ad interim* provisions of the 1909 Act. (This includes Commonwealth and other English language works published prior to UCC adherence, notwithstanding the existance of earlier bilateral relationships.) (*Note*: it is unclear whether such "violations" did inject works into the public domain in the U.S. A Copyright Office position to that effect is open to substantial question and has not been squarely tested.)

The magnitude of works falling within these classes is unclear -- the first and fifth classes, for example, could be of broad theoretical but quite limited practical application. It may also be argued that public domain works falling within these classes but *first published prior to 1958*[3] are not subject to recapture in any event, because (i) any possible U.S. copyright therein would have expired by passage of the first 28 year term and failure of renewal; and (ii) in such cases Berne Art. 18(2) -- exempting retroactive protection of works whose prior terms of copyright have expired in the forum country -- excludes retroactivity. However, the application of Article 18(2) to such circumstances does not appear to have been previously discussed and is not entirely clear in any event (e.g., because the Copyright Office would not have knowingly permitted renewal, or may have actually rejected a claim. See also, fn.1).

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[3] This is based on a 1986 adherence (1958 + 28 = 1986). A later adherence would move this date forward. Because of the effects of UCC adherence, this argument would substantially diminish the number of works falling within the first and fifth classes.

It may also be noted that, while prior discussions of Berne retroactivity have focused on recapturing "foreign" works from the public domain, the application of Article 18(1) to public domain *U.S. authored works* (i) first published in the U.S., (ii) first published in a Berne country, and (iii) simultaneously published in the U.S. and a Berne country, should not be dismissed and may well call for further study. *Cf.*, e.g., Berne Art. 18(1) *with* Art. 5(4), and Arts. 5(3) and 7(8). See also, fn. 9, below.

To the extent that Article 18(1) does call for the recapture of works from the public domain in this country, it raises several questions:

a. The treatment to be given entirely new post-adherence uses of previously public domain works.

b. The treatment to be given post-adherence exploitation (reproduction, adaptation, performance, display, and distribution) of copies that (i) were created earlier; and (ii) incorporated, without authorization, a preexisting work considered to be in the public domain at that time. (This includes simple reproductions, as well as literary translations, musical arrangements and recordings, dramatizations and other adaptations; and uses -- e.g., in an anthology or a motion picture soundtrack -- in a larger work.)

c. The identification of works still protected in a Berne "country of origin," the identification of that country, and whether the term of protection there has expired. See Art. 5(4). (In this connection it should be recalled that, not only do the terms of protection vary among Berne members, but works may aquire protection in a particular Berne country of origin by reason of the place of first or simultaneous publication -- the nationality of a work's author or producer, even if known, is not a sufficient guide. See Foreword.)

d. Possible Constitutional obstacles to reviving copyright for works previously in the public domain. See, e.g., 1 Nimmer, Copyright §105[A] at 1-35 (" . . . neither the copyright clause nor the First Amendment would permit the granting of copyright to works which have theretofore entered the public domain.") See also H.R. Rep. No. 94-1476, 94th Cong., 2d Sess. (1976) at 180 and S. Rep. No. 94-473, 94th Cong., 1st Sess. (1975) at 159 (" ... there *can be no* protection for any work that has fallen into the public domain . . . ." This is perhaps a more emphatic statement than appeared in the Register of Copyrights' 1965 Supplementary Report. See *id.* at 160).[4]

e. Amendment of Trans. & Supp. Sec. 103 of the 1976 Copyright Act. ("This Act does not provide copyright protection for any work that goes into the public domain before January 1, 1978"); and adjustment of other provisions (e.g., 17 U.S.C. §§303; 304; Ch.4; etc.).

f. To the extent that U.S. law is amended to increase protection in compliance with Berne obligations, the extension of such new protections to pre-existing (though not public domain) works.

2. *Qualifications and Exceptions*

It is significant that the Convention itself qualifies the initial principle in several respects.

First, Article 18(2) excludes protection of works that have entered the public domain *in the country where protection is claimed* (i.e., in our case, the U.S.) "through the expiry of the term of protection which was previously granted." The application of this exception to works which have entered the public domain in the U.S. for failure of renewal or expiration of 28 years from first publication has previously been noted. See footnote 2. A more sweeping application of this exception was suggested during a June, 1978 meeting of a "Group of Consultants" convened by WIPO "to examine the compatibility of the new Copyright Law of the United States . . . with the Berne Convention . . . ."[5] It was there noted that prior to January 1, 1978, all *unpublished* works were protected in the United States under the common law without regard to nationality. E.g., *Roberts v. Petrova*, 213 N.Y. Supp. 434 (Sup. Ct. 1925). Therefore, there was a "term of protection which was previously granted" to all such works that "expired" at the moment they were published without complying with U.S. formalities, manufacturing provisions, or national eligibility requirements. Under this theory, the retroactivity principle would not require the recapture of any works from the U.S. public domain. While some have informally suggested that the history of the Berne Convention and the at least implicit focus of international agreements on the protection of published works do not support this theory, a substantial body of opinion at the 1978 meeting suggested that, if the U.S. interprets Article 18(2) in this manner, any inconsistency between current United States law and the Berne Convention with respect to retroactivity would be effectively removed.

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[4] A cursory review of authorities does not indicate any express consideration of a possible difference between "reviving" copyright in previously published (or registered) works, and those which never acquired statutory protection.

[5] BE/GC/I June 14, 1978 ¶1. The following interpretation is not reflected in the official documents of the meeting, and is based on this writer's participation in and recollection of that meeting.

Second, under the first sentence of Article 18(3) the application of Article 18(1) is expressly made "subject to any provisions contained in special conventions . . . between countries of the Union." During the 1978 Geneva meeting referred to above it was suggested that this clause may be construed to include the Universal Copyright Convention, which -- as noted above (page 3) -- excludes protection of works in the public domain in the country in which protection is claimed.6/ Under this theory, any Berne country that is also a member of the UCC may be said to have concluded a special convention with the United States, varying the principle of Article 18(1). Although not discussed at that meeting or explored since, it may be argued that a similar conclusion may be "implied" with the three non-UCC Berne countries with which the U.S. shares earlier bilateral arrangements (Philippines, Rumania, South Africa). Nevertheless, the United States would still be left to consider special agreements with those 23 or so Berne countries that are not members of the UCC or in a prior bilateral status.

Third, under the second sentence of Article 18(3), countries are left to "determine, each insofar as it is concerned," the conditions under which retroactivity is to be applied. The exact scope of discretion given by this clause is uncertain; several views have been expressed by

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6/ See fn. 5. (Although Article 20 of the Berne Convention permits "special agreements" in any case, these must either (a) grant more extensive rights than the Convention or (b) at least not be contrary to the Convention. However, Article 18(3) arguably supersedes these conditions for the purpose of retroactivity. Moreover, Article 20 would seem to be helpful in avoiding any argument that the UCC is an "agreement" varying Berne (and hence diminishing protection of U.S. works abroad) in cases other than retroactivity.

commentators, including:[7]

a. That, as a matter of Convention theory and/or actual practice of Berne countries, it is permissible to abrogate the principle of retroactivity entirely; or

b. That a country must give some reasonable application to the principle of Article 18(1) by protecting at least some preexisting works[8]; or

c. That a country can modify the principle of Article 18(I) to the extent necessary to "protect" those who acted in reliance on the assumed or earlier public domain status of a work, whether by legislation or by judicial consideration in particular cases.

Finally, additional arguments may be made to avoid retroactivity. See, e.g., Art. 7(8) ("In any case, the term [of protection] shall be governed by the legislation of the country where protection is obtained." In the five classes noted earlier, the "term" of protection in the forum country -- the U.S. -- may be "zero").

Although there does not appear to be any recent comprehensive study of how other newly adhering Berne countries have treated the question of retroactivity, earlier commentators have suggested that the practices have varied widely or been left to silence.

3. Additional Considerations

It is apparent that the interests of U.S. copyright owners cannot be simply aligned "for" or "against" retroactivity. In some cases, domestic interests may benefit from retroactivity, as owners or licensees of newly recognized exclusive rights; in others, where works have previously been used without authorization, retroactivity could be a hindrance to continued exploitation and may impair prior investments. Consideration of industry trends and practices (including those pertaining to the extent of clearing rights in U.S. public domain works for the purpose of foreign exploitation) would be pertinent.

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[7] The "self determination" clause of Article 18(3) has been particularly noted as a basis for preserving -- as a special transitional case -- the renewal requirements of 17 U.S.C. §304, notwithstanding the general Berne rules on duration, formalities, and retroactivity. Cf. Chapter 10.

[8] One class of preexisting Berne-origin works that clearly remains protected under current U.S. law is that of unpublished works, at least if not registered under the 1909 Act. See Roberts v. Petrova, supra; 17 U.S.C. 104(a); 17 U.S.C. 303.

Retroactivity may also not simply be a question of recapturing copyrights in this country. Upon adherence, Article 18(1) could[9] lead to the revival of copyright in U.S. works now in the public domain in Berne countries (e.g., countries not sharing prior copyright relationships with the U.S.; or even Commonwealth and other countries with which the U.S. did have bilateral relations with respect to works not meeting pre-UCC place-of-publication requirements or other formalities). The U.S. attitude toward application of the retroactivity principle to foreign works in the U.S. can affect the treatment of U.S. works now in the public domain in Berne countries.

A recent development pertaining to "retroactive" protection of U.S. works abroad must be particularly noted. Under the impetus of several diplomatic and trade initiatives, including the Generalized System of Preferances Renewal Act, the International Trade and Investment Act of 1984, and the Caribbean Basin Economic Recovery Act, major efforts are now under way to improve protection of U.S. intellectual properties in foreign countries. In several countries that have not previously protected U.S. works, assurance of "retroactive" protection for preexisting U.S. works is an important objective; this is particularly true for those interests, including textbook, professional and reference, and software authors and publishers, who regularly revise or enhance their products. In these cases an absence of retroactive protection could lead to newly protected versions being unfairly crowded out of the market by rampant piracy of public domain (albeit relatively current) editions. Creators of "new" works -- trade books, motion pictures, and music, for example, will also face unfair competition from pirated public domain works of the same genre. These considerations must be taken into account in further consideration of the question of retroactivity as it applies to U.S. adherence to the Berne Convention.

9/ Notwithstanding the assumptions of some commentators that this would follow, the literal text of Articles 5, 7 and 18 of the Berne Convention appear to raise some question as to this result. This is textually related to the question of Article 18(1)'s application to U.S.-authored works in this country (pg. 5, supra) and both should be considered further.

Chapter 12: Is Berne a Self-Executing or an Executory Treaty?

A. Issue

Is the Berne Convention a "self-executing" treaty whose provisions, therefore, would automatically become law in the United States upon its accession to the Convention? Or is Berne an "executory" treaty which would not, of itself, give rise to rights or rights of action in the U.S.?

B. Conclusion

If ratified by the United States, the Berne Convention would not be a self-executing treaty in this country. The protection it stipulates for authors and their successors could only be enforced here to the extent provided by existing U.S. law or by further legislation Congress enacted to implement ratification of the Convention.

C. Relevant Berne Provisions

Berne does not contain any statement that it is a self-executing convention. Instead, Article 36 provides:

> (1) Any country party to this Convention undertakes to adopt, in accordance with its constitution, the measures necessary to ensure the application of this Convention.
>
> (2) It is understood that, at the time a country becomes bound by this Convention, it will be in a position under its domestic law to give effect to the provisions of this Convention

This Article was added "during the (1967) Stockholm revision". Previously, Berne required new members to "make provision for the legal protection of the rights forming the object of the convention".

Article 36 was adopted to state expressly "that all Union countries, no only those joining, must adopt measures necessary to insure its application." WIPO Guide, p. 141

Also relevant is Article 2, Par.6, which provides

> "The works mentioned in this Article shall
> enjoy protection in all countries of the Union
> This protection shall operate for the benefit
> of the author and his successors in title."

This provision was added by the 1948 Brussels Revision of Berne. The WIPO GUIDE (p.21) says that earlier Berne texts only provided that member countries "were bound to make provision for the protection of works", but that the 1948 text "provided for a protection founded on the Convention itself." In many countries, ratification incorporates a treaty into its domestic law. When such a country ratifies Berne, "the Convention becomes part of that country's law." Thus if the Convention's "wording is apt to confer rights directly, individuals may bring action based on the Convention itself to enforce them. The Brussels wording (particularly in the French text - 'jouissant') has this result."

The Guide declares, however, that in other countries, including those following the British tradition, ratification "does not make any difference to individual rights enjoyed there." In those countries the Convention must be implemented by domestic legislation and

> "It is that legislation, and not the
> Convention itself, that gives Convention
> nationals the right to sue in their courts.
> The change in wording made in Brussels
> (1948) made no difference in such countries;
> the matter is governed by each country's
> constitutional rules." (p. 21)

D. Relevant U.S. Provisions

Article VI, Section 2, of the United States Constitution provides

> " This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land."

Article II, Section 2, provides that the President

> " ... shall have the power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur.."

D. Discussion

1. DISTINCTION BETWEEN "SELF-EXECUTING" AND "NON-SELF-EXECUTING" TREATIES.

The distinction between "self-executing" and "non-self-executing" (or "executory") treaties is explained in Whitney v. Robertson, 124 U.S. 190, 194 (1888), quoted in British Caledonian Airways v. Bond, 665 F.2d 1153, 1159 (D.C. Cir. 1981):

> " A treaty is primarily a contract between two or more independent nations...
>
> For the infraction of its provisions a remedy must be sought by the injured party through reclamations upon the other.
>
> When the stipulations (of the treaty) are not self-executing, they can only be enforced pursuant to legislation to carry them into effect ...
>
> If the treaty contains stipulations

> which are self-executing, that is, require no legislation to make them operative, to that extent they have the force and effect of a legislative enactment."

As the Third Circuit Court of Appeals has noted, "unless a treaty is self-executing, it must be implemented by legislation before it gives rise to a private cause of action." Mannington Mills, Inc. v. Congoleum Corporation, 593 F.2d 1287, 1298 (1979). Non-self-executing treaties depend for their enforcement on "the honor of the governments which are parties to it." If a government fails to implement such a treaty with the legislation required to protect private rights, as stipulated by the treaty, "it becomes the subject of international negotiations ... it is obvious that with all this the judicial courts have nothing to do and can give no redress." Head Money Cases, 112 U.S. 580, 598-99 (1884)

However, "Courts are empowered to give direct legal effect to treaties (only) insofar as they are self-executing and therefore operate as the law of the land." Hopson v. Kreps, 622 F.2d 1375, 1380, (9th Cir. 1980) (citations and authorities omitted).

2. DETERMINATION OF A TREATY'S STATUS.

"Whether a given treaty is self-executing or requires special implementing legislation to give force and effect to its provisions is primarily a domestic question of construction for the courts." British Caledonian Airways v. Bond, supra, 665 F.2d. at 1160 (emphasis added) (citing Diggs v. Richardson, 555 F.2d 848,) 851 (D.C.Cir. 1976) and Restatement (Second), Foreign Relations Law of the United States, Sec. 150 (1965)).

Whether a treaty is or is or not self-executing " must be determined in each case by reference to many contextual factors:

> 'the purposes of the treaty and the objectives of its creators, the existence of domestic procedures and institutions appropriate for direct implementation, the availability and feasibility of alternative enforcement methods, and the immediate and long range-social consequences of self-or non-self-execution '" People of Saipan v. United States Dept. of Interior, 502 F.2d 90, 97 (9th Cir. 1974) (authorities omitted).

3. THE BERNE CONVENTION IS NOT A SELF-EXECUTING TREATY.

It can be argued that given the statutory scheme of copyright in the United States, with Section 301 of the Act providing that all rights "within the general scope of copyright" shall be "governed exclusively by this title", Berne cannot be deemed self-executing under various of the cited United States judicial principles, which determine if it has that status here. In several instances, for example, there do not exist "domestic procedures... appropriate for direct implementation." On the contrary, several direct "procedures" provided in incompatible provisions of the Copyright Act, would not be "appropriate for direct implementation". Because both Berne and the U.S. Copyright Act contain so many detailed provisions that give rise to private rights of action (and, sometimes, criminal penalties), it appears that the "social consequences" of self-execution would be unacceptable under U.S. principles of construction. (cf. United States v. Postal, 589 F.2d 862,877 (5th Cir. 1979;) The Over The Top, 5 F.2d 838, 845 (D.C. Conn. 1925)

But it is not necessary to evaluate these various criteria in depth since a rule of construction applied in recent decisions seems to answer directly the question of whether Berne is a self-executing treaty. Where a treaty "expressly provide(s) for legislative action" it is not self-executing. United States. v. Postal, supra 589 F.2d at 876, citing as an example Articles 27 - 29 of the Convention on the High Seas "each of which begins with the preamble 'Every State shall take the necessary legislative measures to... '".

Following this canon of construction, the Third Circuit, in Mannington Mills, Inc. v. Congoleum Corp., supra held that the 1883 Paris Convention for the Protection of Industrial Property, as amended, was not a self-executing treaty, because "we find (in the Convention) an expression (Article 17) contrary to the concept of a private right of action. It reads:

> 'Every country party to this convention undertakes to adopt, in accordance with its constitution, the measures necessary to insure the application of this Convention.'
>
> 'It is understood that at the time an instrument of ratification or accession is deposited on behalf of a country, such country shall be in a position under its domestic law to give effect to the provisions of this Convention.'[1962] 13 U.S.T.1, 41.'" 593 F.2d, at 1298-99)

The first of these paragraphs is identical with Par.(1) of Berne's Article 36. The second paragraph is identical, except for a minor change in wording, with Par. (2) of Article 36. Applying the Court's analysis in Mannington Mills, it follows that under U.S. law Berne is a non-self-executing treaty, and does not give rise to any private rights of action. While the WIPO Guide interprets the 1948 (Brussels) Article 2 (6) to provide "for a protection directly founded on the Convention itself", there is no explicit statement to that effect in Berne. On the other hand, Article 36, containing the provisions for domestic legislative action identical to those relied on in Mannington Mills, was written into the Convention more recently (1967).

Even if there were any doubt about Berne's non-self-executing status in the United States, it could be resolved by a Senate statement of intent that Berne is not to be construed as self-executing in the U.S. Professor Henkin observes:

> "Legal effect has been given, however, to incidental provisions in a treaty (or in Senate reservations upon consenting to it) which themselves contain no international obligations, for example a provision that a treaty shall not be self-executing in the United States..." op.cit., p. 160. FOREIGN AFFAIRS AND THE CONSTITUTION, Louis Henkin (1972, The Foundation Press), p. 160.

Such a statement is not a "reservation" of the kind inhibited by Article 30. As the WIPO Guide emphasizes, the determination of whether Berne is a self- executing treaty in a given member country is a "matter governed by (that) country's constitutional rules And as Professor Henkin notes, a Senate "reservation" negating self-executing status for Berne in the U.S. would not impair the U.S. obligations under the Convention, it would effect only a matter of domestic law, to be determined by U.S. courts.

For the reasons indicated, we conclude that Berne is a non-self-executing treaty.

CHAPTER 13 - Subject Matter

A. Issue

Are the provisions under United States law for subject matter protected compatible with the Berne Convention?

B. Conclusion

We conclude that:

(1) With respect to works of foreign origin, the provisions under United States law for subject matter protected are compatible with the Berne Convention, with the apparent exception of

(a) buildings and other works of architecture;

and the possible exception of

(b) mask works for semiconductor chips; and

(c) those works of applied art whose artistic features are not separate from, and independent of, the utilitarian aspects of a useful article.

2) With respect to all works of U.S. origin, United States law is compatible.

C. Relevant Berne Provisions

The provisions most relevant are Articles 1, 2 and 7(4):

Article 1

The countries to which this Convention applies constitute a Union for the protection of the rights of authors in their literary and artistic works.

Article 2

(1) The expression "literary and artistic works" shall include every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression, such as books, pamphlets and other writings; lectures, addresses, sermons and other works of the same nature; dramatic or dramatico-musical works; choreographic works and entertainments in dumb show; musical compositions with or without words; cinematographic works to which are assimilated works expressed by a process analogous to cinematography; works of drawing, painting, architecture, sculpture, engraving and lithography; photographic works to which are assimilated works expressed by a process analogous to photography; works of applied art; illustrations, maps, plans, sketches and three-dimensional works relative to geography, topography, architecture or science.

(2) It shall, however, be a matter for legislation in the countries of the Union to prescribe that works in general or any specified categories of works shall not be protected unless they have been fixed in some material form.

(3) Translations, adaptations, arrangements of music and other alterations of a literary or artistic work shall be protected as original works without prejudice to the copyright in the original work.

(4) It shall be a matter for legislation in the countries of the Union to determine the protection to be granted to official texts of a legislative, administrative and legal nature, and to official translations of such texts.

(5) Collections of literary or artistic works such as encyclopaedias and anthologies which, by reason of the selection and arrangement of their contents, constitute intellectual creations shall be protected as such, without prejudice to the copyright in each of the works forming part of such collections.

(6) The works mentioned in this Article shall enjoy protection in all countries of the Union. This protection shall operate for the benefit of the author and his successors in title.

(7) Subject to the provisions of Article 7(4) of this Convention, it shall be a matter for legislation in the countries of

the Union to determine the extent of the application of their laws to works of applied art and industrial designs and models, as well as the conditions under which such works, designs and models shall be protected. Works protected in the country of origin solely as designs and models shall be entitled in another country of the Union only to such special protection as is granted in that country to designs and models; however, if no such special protection is granted in that country, such works shall be protected as artistic works.

(8) The protection of this Convention shall not apply to news of the day or to miscellaneous facts having the character of mere items of press information.

Article 7

(4) It shall be a matter for legislation in the countries of the Union to determine the term of protection of photographic works and that of works of applied art in so far as they are protected as artistic works; however, this term shall last at least until the end of a period of twenty-five years from the making of such a work.

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D. Relevant U.S. Provisions

The most relevant provisions of U.S. law are:

1. the Copyright Act, 17 U.S.C., sections --

   -- 101 (definitions of "pictorial, graphic, and sculptural works" and "useful article")

   -- 102 (subect matter of copyright: in general)

   -- 103 (compilations and derivative works)

   -- 104(a) and (b)(1) (subject matter of copyright: national origin [as to works of foreign governments])

   -- 113 (scope of exclusive rights in pictorial, graphic and sculptural works), and

2. the Semiconductor Chip Protection Act, 17 U.S.C. §§901-914;
3. the design provisions of the patent law, 35 U.S.C. §§171-173;
4. §43(a) of the Lanham Act, 15 U.S.C. §1125(a); and
5. trademark and unfair competition principles under state statutes and common law.

E. Discussion

1. Generally. The requirement of Berne Articles 1, 2(1) and 2(6) that members protect "literary and artistic works" (Art. 1) [*i.e.*, inclusive of "every production in the literary, scientific and artistic domain" (Art. 2(1))] is generally complied with by the breadth of 17 U.S.C. §§102 and 103. Our requirement of tangible fixation is permitted by Article 2(2), and the requirement of originality is also compatible with Berne (*cf*. the Berne references to "original works" (Art. 2(3); and "intellectual creations" (Art. 2(5)). *See* Masouye/Wallace, *Guide to the Berne Convention for the Protection of Literary and Artistic Works (Paris Act, 1971)* (WIPO 1978) ["*WIPO Guide*"] at p.17, ¶2.8.

2. Works of Foreign Governments. Under 17 U.S.C. §105, U.S. Government works are not copyrightable. But §104(b)(1) protects published works of foreign governments which are parties to a copyright treaty to which the U.S. is also a party, and §104(a) protects their unpublished works (along with the unpublished works of all others). Thus, we would comply with the implied requirement of Article 2(4) for protection of "official texts" other than those of purely a legislative, administrative or legal nature. See WIPO Guide at p.20, ¶2.18.

3. Computer Programs and Data Bases. Our protection of computer programs and data bases as "literary works" under 17 U.S.C. §102(a) is compatible with the broad application, mentioned above, of "literary and artistic works" (Art. 1) under Berne to include "every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression." (Art. 2(1)). Such protection is consistent also with a consensus on the applicability of copyright law to computer programs. Report of the Group of Experts on the Copyright Aspects of the Protection of Computer Software (2/25 - 3/1/85), 21 Copyright 146 (1985); Keplinger, Legal Protection for

Computer Programs: A Survey and Analysis of National Legislation and Case Law, UNESCO/WIPO/GE/CCS/2 (12/17/84).

4. Mask works for semiconductor chips. We protect "mask works" for semiconductor chips under the Semiconductor Chip Protection Act ("SCPA") (17 U.S.C. §§901-914); legislation separate from the Copyright Act. The SCPA provides a sui generis form of protection similar to copyright. If mask works were considered to be works of applied art, within the Berne category of "literary and artistic works," our protection of mask works would not be compatible with Berne. The reasons for incompatibility would include the requirement of registration as a condition of protection (§§904(a), 908(a)) and the limited ten-year term of protection (§904(b)). It is not at all clear, however, that mask works are eligible for protection under Berne.*

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* There is as yet no international consensus on whether mask works will be protected under domestic copyright laws and, therefore, under international copyright treaties, such as Berne. Such evidence as there is on the question is inconsistent.

(footnote continued on next page)

5. Works Relating to Architecture. Article 2(1) requires protection for three categories of works related to architecture:

(a) "works of ... architecture" (which we generally do not protect);

(b) "illustrations ..., plans [and] sketches...relative to ... architecture" (which we do protect); and

(c) "three-dimensional works relative to ... architecture" (which, as embracing architectural models, we protect but, as embracing the architect's final product (the buildings or other structures), we do not, except for certain "monuments").

(continuation of footnote)

For instance, in petitions brought before the Commissioner of Patents and Trademarks pursuant either to §902 or §914 of the Semiconductor Chip Protection Act ("SCPA"), seeking interim protection for mask works, the United Kingdom, Australia and the Netherlands have asserted that their copyright laws provide protection equivalent to that provided by the SCPA (see 15 Fed. Reg. 24,665 (June 12, 1985); 15 Fed. Reg. 24,666 (June 12, 1985); and 15 Fed. Reg. 24,795 (June 13, 1985), respectively) and, in a similar petition, Sweden has stated that its current law might provide adequate protection (see 15 Fed. Reg. 18,720 (May 2, 1985)).

On the other hand, having concluded that integrated circuits are not dealt with in the United States or Japan as "works eligible for copyright protection," so that "from a legal point of view, a new treaty is necessary," Report of the Committee of Experts on Intellectual

(footnote continued on next page)

"Works of ... architecture" have constituted a category of protected works under Berne since the Berlin version (1908) (Art. 2). The original Berne Convention (1886) did not include "works of architecture," but did include "... plastic works relative to ... architecture" (Art. IV). This latter category has appeared in the text of each subsequent version of the Convention, along with "works of ... architecture," although in Article 2(1) of the Stockholm (1967) and Paris (1971) Acts, the phrase is changed to read "three-dimensional works relative to ... architecture." Each of the Convention texts, from the 1886 Berne version through the 1971 Paris text, has also called for protection of "illustrations ..., plans [and] sketches ... relative to ... architecture" (*e.g.*, Paris Art. 2(1)).

(continuation of footnote)

Property in Respect of Integrated Circuits WIPO/IPIC/CE/1/2 (June 28, 1985), the Director General of WIPO has proposed a Draft Treaty on the Protection of Intellectual Property in Respect of Integrated Circuits, to be considered by the Committee of Experts on Intellectual Property in Respect of Integrated Circuits in November 1985.

(a) "Works of ... Architecture." Such a work would generally be, under the definition in 17 U.S.C. §101, a "useful article": "...an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information."

Under the definition in §101 of otherwise protectible "pictorial, graphic, and sculptural works" (known as "PGS works")* it is provided that the "design of a useful article" is considered a protectible PGS work "... only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article." (emphasis added).

The protection of works of architecture is limited not only by the restrictions under §101 as to which works qualify as protectible PGS works; the protection is limited also by the restrictions under §113(b) on the scope of rights in a "work which portrays a useful article" and the restrictions under §113(c) on the scope of rights in a "work lawfully reproduced in useful articles."

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* The definition of PGS works states that, although these "include two-dimensional and three-dimensional works of fine, graphic, and applied art,...technical drawings, diagrams, and models," they only "include works of artistic craftsmanship insofar as their form but not their mechanical or utilitarian aspects are concerned...." 17 U.S.C. §101.

Thus, while adornments or embellishments to a building may be eligible for U.S. copyright protection, the buildings themselves -- useful articles as to which the art is inseparable from the utilitarian aspect -- are unprotectible under copyright.

In some cases, distinctive building designs or features have been protected under U.S. trademark or unfair competition laws (both common law and statutory), including §43(a) of the Lanham Act, 15 U.S.C.§ 1125(a). However, protection in these cases is tied to the importance of the design or appearance of the building in identifying or distinguishing the owner's goods or services and indicating their source. Consequently, such protection is not likely to be considered sufficiently analogous to copyright as to satisfy the Berne requirements.

Buildings or other structures are explicitly protected by statute in at least some of the major

Berne countries, e.g., France (Article 3, Law No. 57-298 of 1957, which is due to be replaced shortly by a new copyright act, the text of which we have not seen); Japan (Article 10(I)(v), Law No. 48 of 1970, as amended); and the United Kingdom (Article 3(I)(b), Act of 1956, as amended). However, a more definitive survey may determine whether, by reason of the statutory or case law of other Berne countries, an absence of true protection for buildings indicates a sufficiently limited scope of the Berne obligation for such works that U.S. law on the subject might be compatible.

(b) "Illustrations ..., plans [and] sketches ... relative to ... architecture."

(c) "Three-dimensional works relative to ... architecture."

The definitions of PGS works and "useful article" under §101 do not appear to bar these two Berne categories of works from protection, but the scope of rights is limited by §113(b) and (c).

6. Works of Applied Art. "Applied art" was added by the Brussels version (1948) to Article 2(1), which provides a non-exhaustive enumeration

of the categories of "literary and artistic works" to which protection extends.

The Rome version (1928) mentions a category of "[w]orks of art applied to industrial purposes," but states only that such works "shall be protected so far as the domestic legislation of each country allows." Rome, Art. 2(4). Significantly, this category is not one of those listed in Article 2(1) as a type of "literary and artistic work" which member countries are required to protect. See Rome, Art. 1, 2 (particularly 2(4)). It is not until Brussels, then, that "applied art" is denominated a literary or artistic work, to which Berne's copyright protection attaches.*

Protection of works of applied art under Berne appears to allow a flexibility not generally available for protected subject matter. Member countries may create a subcategory of "industrial

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* "Applied art" is expressly mentioned in the domestic copyright legislation of many countries, as well as in the text of Berne, but without a definition of the term. Reichman, J.H., Design Protection in Domestic and Foreign Copyright Law: From the Berne Revision of 1948 to the Copyright Act of 1976, 1983 Duke L.J. 1143, at 1146. In the Masouye/Wallace WIPO Guide, supra, at p.16, ¶2.6.(i), the category is interpreted to "cover the artistic contributions of the makers of knick-knacks, jewelry, gold and silverware, furniture, wallpaper, ornaments, clothing, etc."

CHAPTER 14 Works Made For Hire

A. Issue

Are (1) the "work made for hire" provisions of sections 101 and 201(b) of the U.S. Copyright Act, vesting both "authorship" and initial copyright "ownership" in the employer or other person for whom the work was prepared, and (2) the term of copyright in works made for hire under section 302(c), compatible with the Berne Convention?

B. Conclusion

1. The work made for hire provisions of sections 101 and 201(b) (authorship and ownership) are compatible with Berne.

2. The duration of copyright in works made for hire under section 302(c) does not fit neatly within the standards of the Berne Convention in all cases. However, in the context of the actual practice of Berne countries, it is not clear that U.S. law is incompatible with the Convention as applied to works of foreign origin.[1]

C. Relevant Berne Provisions

Article 1 of the Berne Convention establishes a "Union for the protection of the rights of authors . . . ." Article 2(6) of the Convention provides: ". . . protection [of the classes of protected works] shall operate for the benefit of the author and his successors in title." Other articles refer to the "author" as well. However, Berne does not contain any general provision concerning works made for hire, and does not define the word "author" (or the owner of copyright).

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[1] With respect to works of U.S. origin, the Convention provides that protection in the country of origin is governed by domestic law, so that the question of compatibility does not arise. See Foreword.

The Convention's provisions for the general term of copyright, Article 7(1) (the life of the author and 50 years after death) and the terms of copyright in anonymous and pseudonymous works, Article 7(3) (generally, 50 years from when the work is made available to the public), are quoted at page 2 of Chapter 10; in addition, Article 7(2) provides that "in the case of cinematographic works, the countries of the Union may provide that the term of protection may expire fifty years after the work has been made available to the public with the consent of the author or, failing such an event within fifty years from the making of such a work, fifty years after the making."

D. Relevant U.S. Provisions

Section 201(b), 17 U.S.C. provides that, for Copyright Act purposes, the employer or other person for whom a work made for hire was prepared is considered its "author," and (unless otherwise provided in a written signed agreement) owns all rights under the copyright.

Section 101 establishes two classes of works made for hire:

- "a work prepared by an employee within the scope of his or her employment"; and

- o specially ordered or commissioned works in certain specified categories, when the parties agree in a written instrument signed by them "that the work shall be considered a work made for hire."

Section 302(c) provides that the copyright in a work made for hire shall continue for 75 years from its first publication or 100 years from the year of its creation, whichever expires first.

E. Discussion

1. "Employer" as "Author"

Sections 201(b) and 101 of the U.S. Copyright Act make the employer or other person for whom a work for hire was prepared, rather than the natural person(s) who created the work, the "author." This may include corporations and other legal entities. The Berne Convention does not define the "author" of a work, nor contain any provision that the person who actually wrote, composed, or otherwise created a work must be considered its author for the purposes of the Convention. The WIPO "Guide to the Berne Convention" explains that Berne:

> "speaks of 'the rights of authors in their works' but does not define the word 'author' because on this point . . . national laws diverge widely, some recognizing only natural persons as authors, while others treat certain legal entities as copyright owners, some imposing conditions for the recognition

of authorship which others do not accept."
[page 11, para. 1.16]

The Guide also notes [in connection with Art. 15(1) (presumption of authorship from name on copies for purposes of standing)]: ". . . the Convention merely says that, unless the contrary is proved, the author is the person whose name appears on the work. It goes no further and thus leaves member countries free to make their own rules on the subject. This is of some importance in connection with works made in the course of their creator's employment by someone else . . . and with commissioned works." (Page 93, para. 15.4; emphasis added) See also, e.g., Cuvillier, Employment and Copyright, Copyright, April 1979 at 112 and 119 (Berne does not define author, leaving it to national legislation); Plaisant, The Employee-Author and Literary and Artistic Property, Copyright, October 1977 at 274, 275 ("The author is determined in very different ways depending on the legislation concerned, and the international conventions are silent on this point.")

The foregoing clearly indicates that U.S. treatment of both employees and commissioned parties as "authors" for copyright purposes is compatible with Berne. This conclusion is supported by the existence of similar provisions in the copyright laws of at least two Berne countries: the Netherlands (Copyright Act of 1912, as amended, Art. 6: "If a work has been produced according to the plan and under the guidance and supervision of another person, that person shall be deemed to be the author of the work." Art. 7: ". . . production of certain literary, scientific or artistic works [in service of another person]"; person in whose service they were produced deemed "author." These articles apparently include corporations and other legal entities as "authors." See Cohen-Jehoram, The Author's Place in Society, Copyright, November 1978 at 385, 391). See also, Art. 8 ["authorship" in public associations, foundations, and partnerships in certain cases]); and Turkey (Copyright Act of 1951, Art. 8: "The authors of works produced by officials, employees, or workers, as part of their duties, are the persons who have appointed or who employ them unless the contrary results from a contract between the parties or from the nature of the work. This rule shall also apply to legal entities. If one or several persons have produced a work according to a plan established by the publisher, then the publisher shall be the author of the work, unless the contrary results from a contract between the parties or the nature of the work.")[2]

Our conclusion is also supported by the liberal choice accorded to Berne countries with respect to *ownership* of copyright in works made for hire, discussed immediately below.

In light of the above, the fact that Article 15(3) of the Convention provides that, for certain anonymous and pseudonymous works, "the publisher whose name appears in the works shall . . . be deemed *to represent* the author" should not detract from the discretion of Berne countries to treat such publisher *as* the author in the case of works made for hire or on commission.

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[2] There may be other Berne countries that consider employers and commissioning parties as "authors" in various cases. See, e.g., *Japan*, Law No. 48 of 1970, as amended, Art. 15 ("authorship" of a work made by employee "on initiative of a legal person or other employer" *and* made public under name of employer as author attributed to employer unless otherwise stipulated); *Italy*, Copyright Law of 1941, as amended, Articles 3 (protection of collective works) & 7 (person who directs and organizes creation of collective work "shall be deemed to be the author") and de Sanctis, *Italy* in Stewart, International Copyright and Neighboring Rights §16.04 at 401-02 (commentators "divided on whether a legal person can be regarded as an author"); see also Article 13 of the *French* Copyright Act of 1957, providing that "a collective work, in the absence of proof to the contrary, shall be the property of the physical person or legal entity under whose name it is disclosed." (A "collective work" is defined in Article 9 in terms that would include some, though not all, works made for hire under U.S. law.) French commentators indicate that this section vests "authorship" in the person or entity. See Plaisant, *supra* at 275, 278; Chesnais, *France*, in Stewart, *supra* §14.03 at 330. Employer "authorship" may be particularly applied in the area of emerging amendments to national copyright laws regarding *software*. E.g., Main Points of the Draft Bill Prepared by the [Japanese] Agency for Cultural Affairs, ¶2 in UNESCO/WIPO/GE/CCS/3, Annex B-Appendix, page 2; see also French Software Copyright Amendments of June 26-27, 1985, Art. 38(1)(2). Still other examples or analogs of employer "authorship" may exist in national laws confirming copyright in government entities.

That some of the countries cited in this footnote and accompanying text have not adhered to the *1971* text of the Berne Convention is immaterial to this point.

The effect of the United States vesting of "authorship" in employers and commissioning parties being compatible with Berne is not limited to the question of copyright ownership (paragraph E.2. below); it also means that the U.S. may treat other Convention references to "authors" as references to such employers and commissioning parties. E.g., the Article 3 criteria of eligibility and the Article 5 criteria of country of origin, and the articles regarding minimum rights.[3]

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[3] *Caveat re moral rights*. If the references to "author" in Article 6 *bis* of the Convention permit the U.S. to comply with that article by vesting moral rights only in employers and commissioning parties, then only the general moral rights/compatibility issue discussed in Chapter 6 would seem pertinent. This may be the case; see *Cohen-Jehoram*, *supra* at 391. (Under Dutch law "the employer (person or corporation) is the original acquirer of the copyright including -- for the Netherlands at least -- the moral rights," *but* also apparently citing existence of "another opinion" on that point.)

However, if Article 6 *bis* requires the recognition of moral rights in employees in any event, additional consideration of moral rights compatibility would seem warranted. Commentary suggests an absence of clarity, at the least, on this point. Some authorities may feel that some moral rights, although at a diminished level, must be accorded to employed creators. See, e.g., *Cohen-Jehoram*, *supra*, at 391 n. 41; Plaisant, *supra* at 277; Stewart, *supra* at 64 ("An employee author should retain [moral] rights in Berne Convention countries . . . However, the position must be influenced by the employment situation, e.g., the employee may, if circumstances demand it, have to be content with publication of the works without his name appearing as the author and the employer will have wider powers to make alterations . . . ."). [The first quoted sentence from Stewart is based on the Berne principle that the moral right "remains with the *author* even after the *transfer* of economic rights." *Id*. [emphasis added] Thus, perhaps, it need not apply to cases where the employer is treated as the "author" (as in the U.S.) rather than as merely the initial "owner" (as in the U.K.).]

2. "Employer" as Initial Owner of Copyright

Sections 201(b) and 101 of the U.S. Copyright Act grant initial ownership of copyright in a work made for hire to the employer (or commissioning party), rather than to the natural person(s) who created it. The authorities noted in para. E.1., immediately above, clearly indicate that this is compatible with Berne, both as a matter of reason (if employees and commissioned parties may be treated as "authors," they may clearly be treated as initial owners of copyright) and express language. This conclusion is supported by a variety of devices -- express statutory provisions, application of principles of the "labor" or "employment" relation, presumed or implied terms of employment contracts, etc. -- which automatically confer copyright ownership in whole or in part on employers and/or commissioning parties in many Berne countries.4/ See also, e.g., Statement of Donald C. Curran, Associate Librarian of Congress and Acting Register of Copyrights, Hearing Before the Senate Subcommittee of Patents, Copyrights and Trademarks on U.S. Adherence to the Berne Convention, 99th Cong., 1st Sess., May 16, 1985 at 46 ("Fact that copyright vests initially in corporate or other entities in the

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4/Various of these devices are described, e.g., in Stewart, supra at paras. 4.25 and 4.26 (in general), 15.03 (Germany), 16.04 (Italy), 18.04 (U.K.), 23.13(3) (India), 24.45 (Japan); Plaisant, supra; Cavillier, supra; Cohen-Jehoram, supra; and in a series of papers prepared at an ILO/UNESCO/WIPO 1982 "Consultation Meeting on the Question of Copyright Ownership and Its Consequences for the Relations Between Employers and Employed as Selected Authors" (ILO/UNESCO/WIPO/SA/CM/2 [Socialist countries],/3 [U.S.A., U.K., Canada, Australia] and /4 [Nordic countries].

U.S. under the 'made for hire' doctrine probably poses no problem with regard to potential United States adherence").

The fact that Article 14 bis (2)(a) of the Convention expressly provides that "ownership of copyright in a cinematographic work shall be a matter for legislation in the country where protection is claimed"[5] appears to derive from the attempt of the 1967 Stockholm Conference to deal specifically with various aspects of motion pictures under the differing regimes of member countries; it should not detract from the general principle, applicable to all works, that member countries have discretion to determine ownership of copyright in works created under employment or commission.

3. Term of Copyright in Works Made For Hire

Section 302(c) of the U.S. Copyright Act grants works made for hire a term of copyright lasting for 75 years from first publication, or 100 years from creation, whichever first expires. Because the Berne Convention does not provide for a term of copyright generally applicable to works made for hire, a number of questions arise.[6]

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[5] This chapter is based on the assumption (reflected in Art. 14 bis (2)(a)) that questions of ownership will be determined by the law of the forum country -- i.e, the U.S. in the case of a work of foreign origin seeking protection here. However, some have suggested that (at least in countries where ownership is determined only by express or implied contract) the law of the place where the contract is made should govern, and that this should apply to the ownership of works made for hire under the presumed employment contract. See Apple Computer Inc. v. Segimex S.A.R.L. (Paris Tr. Crt. Sept. 21, 1983) (U.S. law on works for hire may govern ownership/standing with respect to protection of U.S. works in France) (alternative holding).

a. The General Rule. Article 7(1) of the Convention provides that "the term of protection granted by this Convention shall be the life of the author and fifty years after his death." Where the employer, or commissioning party in the case of a work made for hire under U.S. law, is a natural person, this Article might require a term extending to 50 years after that person's death. Section 302(c) of the U.S. Act could provide a substantially lesser term in particular cases (i.e., the "author" might be deceased for less than 50 years, yet the work may have been created more than 100, or published more than 75, years earlier). Of course, this discrepancy might also arise if the individual creator were considered the "author," and the Convention does not specify whether the "author" for durational purposes is to be considered the actual writer, or a natural person/employer-author.

Where the employer, or commissioning party, is a corporation or other legal entity, the matter is complicated still further (except in the case of motion pictures, see below) since the post mortem concept is inapplicable. It appears that many Berne countries do not provide for juristic person-"authorship," or make the employer the "author" (as opposed to copyright owner), so that in these countries the "life plus 50" standard may still be applied, based on the life of individual creator(s), to works made for hire without conceptual difficulty.[7] In the two known countries where corporate employers are clearly treated as authors, the issue is apparently resolved by adoption of a term of years, without specific sanction (for all purposes) in the text of the Convention. See Netherlands Copyright Act of 1912, as amended, Art. 38 (fifty years from making public, at least with respect to Dutch Art. 8 works and presumably for Dutch Art. 6 & Art. 7 works "authored" by legal entities as well); Turkey, Copyright Act of 1951, Art. 27 (twenty years from publication "if the author is a legal entity").[8] See also, discussion of Italian and French laws on collective works, below.

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[6] Pre-1978 works made for hire are subject to the renewal/duration compatibility issues discussed in Chapter 10.

b. Motion Pictures. Article 7(2) of the Convention permits (but does not require) member countries to provide that "the term of protection shall expire fifty years after the work has been made available to the public with the consent of the author or, failing such event within fifty years from the making of such a work, fifty years after the making." (The WIPO Guide [page 47, para. 7.6] notes, in effect, that "public availability" is not necessarily the same as "publication" under

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[7] Of course, practical difficulties in identifying particular authors may arise; but these may be resolved by application of special Berne rules for motion pictures or anonymous works in some cases (see below), by durational rules for joint authorship, or by *ad hoc* rules for collective works or the like. The latter approach is significant here; see discussion of French and Italian law below.

[8] As before, the fact that the Netherlands and Turkey have not adhered to the 1971 text of the Berne Convention is immaterial to this point.

U.S. law since the former includes exhibitions *per se*.) Most motion pictures will be works for hire under U.S. law; and it seems that in such cases application of Section 302(c) of the U.S. Copyright Act would commonly (albeit, perhaps, not always) exceed the minimum provided by Article 7(2).

c. *Anonymous Works*. As discussed in Chapter 10, Article 7(3) of the Convention establishes a term of fifty years from public availability for anonymous (and pseudonymous) works. Attempted application of this standard to works made for hire raises at least two problems: *first*, under the U.S. system of designating the employer or commissioning party as "author," many works made for hire may not be "anonynmous" (also, it is not unusual for the natural creator's name to appear on works made for hire); *second*, even if a particular work made for hire were "anonynmous," the term provided by Section 302(c) of the U.S. Act for both anonymous works and works made for hire may be incompatible with Article 7(3) in particular cases. See Chapter 10.

In sum, the term of copyright under U.S. law for works made for hire does not always fit neatly within the Berne standards. However, it may be questioned whether this is a meaningful area of incompatibility.9/ The Convention, as a whole, appears

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9/It also seems doubtful that it is necessary to distinguish among classes of works made for hire, e.g., considering (most) motion picture situations as expressly compatible, corporate works made for hire as compatible "by necessity," and other works made for hire as incompatible (in some cases).

intended to accord considerable discretion to member countries in dealing with such works. Its failure to provide a specific term of protection for all works made for hire need not compel the conclusion that the states must fit their terms of protection for such works into categories designed for other purposes. As noted above, at least two Berne countries appear to have adopted ad hoc rules, as a matter of necessity, for works of corporate or like authorship; additional variations from the Berne standards may exist under the laws of other Berne countries in particular cases. For example, Article 22 of the French Copyright Act of 1957 and Article 26 of the Italian Copyright Act of 1941, as amended, accord a term of 50 years from publication to "collective works" (a category that is defined differently in each country, but that in each case would include some, though not all, U.S. works made for hire). But such terms would not fall under the Berne standard for "anonymous" works if the publisher is considered the "author" (see fn. 2, page 6, above) or if the creators' names are used on the work, and are not otherwise supported in the text of the Convention.[10]

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[10] See also, Japan, Law No. 48 of 1970, as amended, Art. 53 (copyright in "works bearing as the name of the author that of a legal person or other corporate body" endures for 50 years from making public or from creation; provision inapplicable where copies made public with name of natural author); cf. id., Art. 15, noted in fn. 2, above.

Implementing Legislation to Permit U.S.
Adherence to the Berne Convention
A Draft Discussion Bill & Commentary

Introduction

The staff of the U.S. Copyright Office, at the request of the Chairman of the Senate Judiciary Subcommittee on Patents, Copyrights, and Trademarks, Senator Charles McC. Mathias, Jr., of Maryland, and in cooperation with the Subcommittee staff, has prepared this document. It has two functions: as a point of focus for witnesses at the scheduled hearing on U.S. adherence to the Berne Convention, April 15, 1986; and, as a point of departure in subsequent consideration of the terms of possible accession to the Berne Convention by all interest groups. The Subcommittee staff hopes that consideration of the options set out in this document will focus the attention of all affected groups more sharply on how the 1976 Copyright Act might be amended to bring our law into conformity with obligations of the Berne Convention, while at the same time maintaining the effective balancing of public and private interests achieved in the 1976 Act.

In accordance with Senator Mathias' request, this document consists of a series of legislative proposals, which it is thought would bring certain provisions of our law not now compatible with Berne into accord with Convention obligations. In a number of cases, we have proposed or noted alternatives. Proposals are accompanied by a brief commentary explaining the rationale of the text; and, where arguably a wide variety of options appear to exist for modifying our law to meet Berne requirements, further options than those drafted are discussed in the commentary.

We have been guided in this exercise by certain policy considerations and a fundamental aspect of the Convention itself. These considerations should be understood.

First, the purpose of United States adherence to the Berne Convention would be to establish on a new and, arguably, more secure footing, the basis of United States international copyright relations. Such a step would constitute a "mid-course correction" away from the relatively general national treatment obligations of the Universal Copyright Convention toward the more detailed regulations of Berne. The feasibility of such a step would depend, therefore, upon our law being in the larger part compatible with the obligations and philosophies of the Berne Convention. We believe that such is the case and have proceeded upon that assumption.

Second, and derived from the first consideration, we have proposed what we think are minimal amendments to the law, only where change is clearly required, based upon widely shared understandings of Berne obligations. We have tried to draw a distinction between what is required and what, from the point of view of one or another affected interest, may be only desirable copyright policy.

Third, the protection of the Berne Convention extends only to "foreign work" -- works that have as their "country of origin" a state other than the one where protection is sought. As a general rule, the protection of works in their own country of origin is outside the scope of the Convention; and, theoretically, a lower level or different kind of protection can be accorded works of national origin as long as the minimum obligations of Berne are accorded to works originating in other Union countries. In fact, no state of which we are aware has found it desirable (or politically possible) to create a true dual-level copyright system which accords foreign authors greater rights in important commercial contexts than it accords to nationals. If the United States did so it would be the first.

A number of the alternatives we propose for consideration seek to exploit the distinction in treatment between works of foreign and national origin permitted by the Berne Convention. We have done so, however, only in those areas where, in our opinion, the stakes are rather small and neither rightsholders nor the public in general appear to suffer any material injustice from such distinctions in rights or remedies. In certain areas we have foregone proposing different treatment for foreign and domestic works where doing so is possible but highly impractical.

Finally, although obvious, it may bear expressly stating that, where we have not discussed changes in legislation, it is our present thinking that no change appears needed to bring our law into conformity with the Berne Convention. Indeed, it is the purpose of this discussion draft to test these assumptions.

A. Definitions

Amend 17 U.S.C. §101 by adding the following new definitions at the end:

- A "work of United States origin" is --

  (1) a work first published in the United States;

  (2) a work first published simultaneously (that is, within a 30-day period) in the U.S. and a country that adheres to any text of the Berne (1886) International Copyright Convention, if that country grants a longer or the same period of protection to the applicable work;

  (3) a work first published simultaneously (that is, within a 30-day period in the U.S. and a country that does not adhere to any version of the Berne (1886) International Copyright Convention;

  (4) a work whose author is a United States national, if the work is not first or simultaneously published (within a 30-day period) in a country that is a member of the Berne (1886) International Convention.

  (5) an unpublished work whose author is a national of the United States; or

  (6) an audiovisual work whose makers have their headquarters or habitual residence in the united States, if the work is unpublished, or the work is neither first nor simultaneously (i.e. within a 30-day period) published in a country that is a member of any text of the Berne (1886) International Copyright Convention.

  (7) Where the determination of U.S. origin is dependent upon U.S. nationality and the authors of the work have mixed nationalities, the country of origin shall be the U.S. if the quantum of foreign authorship is no more than 10 percent.

  (8) An architectural work erected in the United States.

- A "Berne Convention work" is a work that qualifies for protection in the United States under the Berne Convention and is not a work of United States origin.

- "Architectural works" include two-dimensional and three-dimensional technical drawings, plans, sketches, models, designs and sculptures relative to the art or science of [constructing buildings].

Amend the first sentence of §101's definition of "pictorial, graphic and sculptural works" to read:

- "Pictorial, graphic, and sculptural works" include two-dimensional and three-dimensional works of fine, graphic, and applied art, photographs, prints and art reproductions, maps, globes, charts, technical drawings, diagrams, and models, other than architectural works.

Commentary

The new definitions are proposed for 17 U.S.C. 101. The term "country of origin," as has already been noted, is a term defined in Art. 5 of the Berne Convention. The Country of origin of a work is important in a number of contexts: 1) determining whether the work is entitled to protection under the Convention; and, 2) determining the applicable term of protection for the work.

The purpose of the proposed definitions "work of U.S. origin" and "Berne

Convention work" is to facilitate drafting other amendments where distinctions are to be drawn between U.S. and foreign origin works (i.e., the manufacturing clause, use of the copyright notice).

The Berne Convention, like the United States copyright law, establishes the subject matter of protection by reference to a work's creative character rather than its medium of protection or any particular technology of fixation. Article 2(1) defines works required to be protected as "every production in the literary, scientific and artistic domain, "whatever may be the mode or form of its expression..." and includes as illustrative examples "works of ... architecture," "illustrations, maps, plans, sketches," and "three-dimensional works relative to ... architecture...." But the Berne Convention permits a membr country to determine as a matter of domestic legislation "...the extent of the application of [its] laws to works of applied art and industrial designs and models, as well as the conditions under which such works, designs and models shall be protected." Art. 2(7).

Presently, the U.S. copyright law protects architect's blueprints as two-dimensional technical drawings, but does not protect the utilitarian object portrayed nor preclude copyright or constructing the work in three-dimensional form. 17 U.S.C. §§101,113.

Although greater protection is necessary to comply with Berne, the extent of protection required is unclear. And questions raised about the Convention's mandated scope of protection for architectural works have been resolved differently by member countries. Thus, although France, Japan and the United Kingdom, for example explicitly protect buildings or other structures by statute, the U.K., India and Australia appear to impose a higher standard of protectibility (artistic character or aesthetic merit) on architectural works than on paintings, sculptures and drawings.

The draft proposal excepts architectural works from the statutory definition of pictorial, graphic and sculptural works, thus removing architecture from the traditional copyright limitations on utilitarian works. An artistically designed building would clearly be protectible, despite its integrated utility. On the other hand, commonplace, standard or familiar building designs, no matter how functional, would not be entitled to statutory protection. And, a separate section limiting exclusive rights in architectural works clarifies that copyright in such works extends only to the artistic character or design of the building. The draft also precludes injunctions against construction of infringing buildings once such construction has substantially begun, and prohibits orders for demolition or seizure.

B. General Matters concerning the Effect of the Convention on U.S. Law

- Retroactivity

Alternative A

Sec. ___ .This Act shall not provide any copyright protection for any work already in the public domain on or before (the effective date of adherence to the Berne Convention and the entry into force of amendatory legislation).

Alternative B

Sec. ___ (a) Copyright protection under this Act shall not be available for any work which has entered the public domain on or before ________ (effective date of Berne coming into force and for amendatory legislation), except in conformity with the provisions of subsection (b) of this section.

(b)(1) The President may, by Proclamation, extend eligibility for protection under this title to works originating in a country of the Berne Union which are, as of the effective date of United States adherence to the Berne Convention, in the public domain other than by reason of the expiration of the term of protection, where the President finds that such country accords similar treatment to works which originated in the United States.

2. Proclamations issued by the President under the authority of this section shall provide:

(i) that the recapture of works from the public domain shall be subject to compliance with requirements for registration of claims to an extended period of copyright in accordance with procedures to be established by the Register of Copyrights under section 4__ of this title; and,

(ii) a period of time, no longer than two years from the date of such Proclamation during which works eligible for extension of protection may secure such extension by registration in accordance with the procedures established under section 4___

3. The term of copyright in works whose copyright has been extended in accordance with the provisions of subsection (b) (2) shall not exceed the term of protection for such work in its country of origin within the Berne Union, or the provisions of Chapter 3 of this title, whichever expires first.

4. No right or remedy given pursuant to this Act shall prejudice lawful acts done or rights in copies lawfully made or the continuance of enterprises lawfully undertaken within the United States prior to the effective date of registration for such extension of term.

Commentary

Article 18(1) of the Berne Convention extends protection to works which

1. Recapture of copyright cannot be for a period longer than the term of protection in the country of origin, or Ch. 3 of Title 17, whichever is shorter;
2. Recapture cannot cut off existing rights in the continued utilization of works in the United States, which were lawful prior to recapture;
3. Works eligible for recapture in the United States must have as their country of origin a Berne state which accords at least similarly advantageous treatment to United States works;
4. Actual recapture of works will require: a) special agreements between the United States and other Union states, expressed in Presidential Proclamations; registration of a claim to recapture as a condition of protection.
5. The opportunity to recapture foreign works from the public domain shall be limited in time: the opportunity to actually recapture rights in works in the public domain would be limited to a "window," for example, two years from the effective date of the Presidential Proclamation. Foreign authors would then have a two year period in which to apply for registration, upon the completion of which the extended term of protection would commence. After the "window" period expired, no recapture of works would be possible for works originating in the Proclaimed country.

- Self Execution

> The Congress finds and declares that the Berne Convention for the Protection of Literary, Artistic and Scientific Works i not self-executing, and the obligations of the United States thereunder may only be performed pursuant to appropriate legislation.

Commentary

The draft text provided here is intended for inclusion either with the language ratifying the treaty, a statutory revision to render U.S. law compatible with Berne, or both, as appropriate. It is modeled on language now codified in 21 U.S.C. sec. 801a(2), which implements the Convention on Psychotropic Substances. That treaty, to which the U.S. adhered in 1978, was feared by some U.S. Government agencies to subordinate U.S. policy to an international agreement to too great an extent. [See 7 U.S. Code & Admin. News Svc. 9497-9510 (1978)]. Therefore the implementing statute contains language expressing Congress' intent and belief that the treaty was not self-executing. This appears to be the only such provision in the U.S. code.

The Ad Hoc Working Group Preliminary Report notes that language of this type has sometimes been employed (and apparently with uniform success) in the ratification process.

While such language -- whether in the statute or as part of the documents of ratification -- would be subject to scrutiny in court should a party plead that the treaty was self-executing, it would likely be extraordinarily persuasive.

Concern in some quarters has been expressed that by virtue of the have not fallen into the public domain in their country of origin. Art 18(2) and (3) limits the rule in important ways: a) works which have fallen into the public domain of the country where protection is claimed (in this case the United States) due to the expiration of a term of protection need not be protected anew; and b) the conditions of application of the retroactivity rule may be determined by special agreements among Union members, or, failing such agreements, by the respective countries acting unilaterally.

Alternative A would deny any retroactive application of copyright based upon United States adherence to the Berne Convention. Works protected in European states which fell into the United States public domain due to non-compliance with our statutory formalities would not be protected anew; works whose term of copyright under earlier United States laws had expired would not be revived notwithstanding their longer term of protection in their countries of origin.

Justification for such an approach to retroactivity may be found on legal and policy grounds. First, works whose full statutory term of protection expired clearly need not be revived to accord with the expectations of Berne Union countries with longer terms of protection. Second, arguments have been put forth to the effect that works which fell into the public domain by virtue of failure to renew had, in effect, enjoyed a term of protection which had expired (the basic term of 28 years following first publication). It has also been suggested that the injection of a work into the public domain due to non-compliance with first publication formalities, constituted an expiry of the "term" of common law copyright, within the meaning of Article 18(2) of Berne.

A number of commentators have stressed, however, that the correct meaning of Article 18(3) is that it authorizes Union states to determine the conditions under which retroactive application of the Convention would be carried out, not to abrogate the possibility of retroactivity in its entirety. Alternative B proposes to apply Art. 18(3) in the spirit of ameliorating, to a limited degree, the consequences which have flowed from the imposition upon foreign works of fairly rigid formalities. Alternative B is basically Alternative A with a qualification: particular works which fell into the United States domain by virtue of reasons other than expiration of term can be given an opportunity to be protected anew upon compliance with set procedures:

Supremacy Clause, the Berne Convention could enter into our law without amendatory legislation. Others, including members of the Ad Hoc Working Group on United States Adherence to the Berne Convention, have taken a preliminary position that the Convention is not self-executing. The Copyright Office has not had time to fully research the question. We do sense, however, that any answer we might come up with will necessarily be speculative and that what copyright communities of interest require in this matter is certainty and predictability. Therefore, against the possibility that the Convention might be deemed in litigation to be self-executing, we have proposed the declaration for inclusion in appropriate amendatory legislation.

Finally, it should be mentioned that much of the concern over self-execution has involved the rights of U.S. authors with respect to works first published (according to current practice) in the United States. The Convention, with respect to works of U.S. origin, should not have a self-executing effect since, in accordance with Art. 5(2) of the Convention, protection for works in their country of origin is outside of the scope of the Convention.

C. SUBJECT MATTER OF COPYRIGHT

- Architectual works:

Amend §102 by adding a new subsection (6) (and renumbering subsections (6) and (7) to become subsections (7) and (8):

(6) architectual works;

D. LIMITATIONS ON EXCLUSIVE RIGHTS

- Add a new section, following present §113 , Scope of exclusive rights in Architectual works:

> (a) the exclusive rights of the owner of copyright in an architectural work shall cove only the work's artistic character and design and shall not extend to processes or methods of construction.

(b) Copyright in an architectural work does not include the right to prevent the making, distribution, or display of pictures, paintings, photographs or other illustrations thereof that are not in the nature of architectural drawings or plans.

(c) The owner of copyright in an architectural work shall not be entitled to obtain an injunction restraining the construction, substantially begun, of an infringing building, nor an order for its demolition or seizure.

- Amend §116 (jukebox compulsory license) as follows:

Sec. 116. Scope of Exclusive Rights in Nondramatic Musical Works:

Public performances by means of coin-operated phonorecord players.

(a) Limitation on exclusive right -- In the case of a nondramatic musical work embodied in a phonorecord, the exclusive right under clause 4 of section 106 to perform the work publicly by means of a coin-operated phonorecord player shall be limited if, one year after the effective date of this act, the [Copyright Office/Copyright Royalty Tribunal] certified to _______________ that the negotiated license[s] authorized by paragraph (   ) have not been ratified or come into force so as to provide copyright clearances for a quantity of musical works substantially he same as were being performed on coin-operated phonorecord players during the year prior to the effective date of this act. If such certification is made, then section 116 as it existed on the date before the effective date of this act shall be effective with respect to musical works that are not the subject of negotiated licenses.

(___) Authority for negotiations.

Notwithstanding any provision of the antitrust laws, any owners of copyright in works specified by this subsection and any operators of coin-operated phonorecord players, respectively, may negotiate and agree upon the terms and rates of royalty payments and the proportionate division of fees paid among various copyright owners, and may designate common agents to negotiate, agree to, pay, or receive payments.

(___) License agreements superior to CRT determinations.

License agreements between one or more copyright owners and one or more operators of coin-operated phonorecord players, negotiated in accordance with paragraph (____), shall be given effect in lieu of any determination by the Copyright Royalty Tribunal as provided in paragraph (___).

(___) Negotiated schedule.

Not later than 21 days after the effective date of this act, the [Register of Copyrights/Chairman of the Copyright Royalty Tribunal] shall either receive notice of the date and location of the first meeting between copyright owners and operators of coin operated phonorecord players to commence negotiations authorized by paragraph () or shall announce the date and location of such meeting. In neither event shall such meeting be scheduled for a date later than 45 days after the effective date of this act. No later than 180 days after the effective date of this act, the [Register of Copyrights/Chairman of the Copyright Royalty Tribunal] shall notify of the progress, if any, that the parties have made.

(___) Transition Provisions

Until such time as licensing provisions are determined by the parties, the terms of the compulsory license in effect on the day before the effective date of this act shall remain in force.

Sec. 801. Subsection (1)(B) is amended to add: In considering whether a return to a copyright owner under section 116 is fair, great weight shall be given to:

the rates in effect on the day before the effective date of this act;

the rates contained in any license negotiated under the authorization of paragraph (___), and [such criteria as the Congress may choose to include reflecting some or all of the considerations in §801 (b)(1) of T. 17 U.S.C.]

Commentary

The proposed amendment has been prepared in recognition of the fact that the present juke box compulsory license is incompatible with Article 11(1) of Berne. Unlike proposals for certain other revisions, it does not envisage a "two-tier" system for works of U.S. origin and other works. We believe there must be a unitary system with respect to juke box rights, since it would be unduly burdensome to all concerned if a juke box proprietor could avail himself of a compulsory license for works of U.S. origin but had to negotiate a license for foreign works.

This draft essentially retains the present CRT ratemaking scheme but permits it to operate only if and when the parties fail to reach an accord in negotiations designed to result in an agreed-upon license. The parties are given an antitrust exemption modeled on section 118's public broadcasting license exemption, and are given one year to ratify such agreed-upon licenses or to have them come into force. If the negotiations fail, and the compulsory license is triggered, section 801 is modified to require the CRT, in ratemaking, to give great weight to the rates provided in any agreed-upon licenses which may have come into existence and other factors which the Congress may choose.

This draft, while not as clearly "Berne-compatible" as the simpler outright repeal of the current license comports with Berne states' practices of using governmental entities to broker or arbitrate disputes between collecting societies and users of copyrighted works [See, Ad Hoc Committee Report at 3-8], supplemented by a provision which would ensure survival of the juke box industry if the parties provide unable to reach an accord.

- Moral Rights

> This title does not afford to the owner of copyright in a work any greater or lesser rights than those afforded to works under the law, whether Title 17 or the common law or statutes of a state, in effect on [insert date], as held applicable and construed by a court in an action brought under this title.

Commentary

The Copyright Office has previously testified that some of the rights that are considered as "moral rights" under Berne are available in the United States under a variety of non-copyright state statutes, judicial decisions and possible under the federal trademark act. The Office suggested further study of the issues especially the alienability of these rights under U.S. law.

The Ad Hoc Working Group on U.S. Adherence to Berne preliminarily concludes that given the substantial protection available for the real equivalent of moral rights under statutory and common law, the lack of uniformity in protection of other Berne nations, and the reservation of control over remedies to each Berne country, the current protection of moral rights in the U.S. meets the requirements of the Berne Convention. This comports with earlier examinations in the Copyright Office and by Prof. Melville Nimmer. Finally, this view appeared acceptable to foreign copyright experts participating in a 19789 W.I.P.O. meeting examining the 1976 Copyright Act with the Berne Convention.

We have proposed only a freezing of the law under T.17, intending to leave the further development, if any, of moral rights to state jurisprudence and legislation. Combined with the declaration concerning the non-self execution of the Convention, this provision would preclude the injection of Convention rules into federal copyright law, without Congressional enactment.

We note, too, recent Congressional proposals for introduction of moral rights into title 17. Our recommendations in this exerciseshould not be taken as hostility toward moral rights in general. To the extent that implementing legislation for Berne adherence and consideration of moral rights legislation are on roughly parallel tracks, further options may reveal themselves.

E. Formalities

- Notice of Copyright

  Amend §§ 401, 402, and 403 by inserting in paragraph (a) or §401 and §402 and at the beginning of §403, the following:

  "Except for Berne Convention works,"

Commentary

The requirement that published copies of works bear a notice of copyright as a condition for the acquisition or preservation of copyright has long been recognized as a "formality," proscribed by the Berne Convention. Several options are available to resolve this incompatibility: 1) The outright deletion of the notice requirements of 17 U.S.C. §§401 and 402 (and consequent deletion of §404-406, modification of §403 and §407(a); 2) The exception of works originating in a Berne Union country, other than the United States from the present requirements; 3) The elimintion of copyright notice as a formality and the creation of statutory, non-formality incentives for voluntary use of the notice (i.e., evidentiary value with respect to innocent infringement; relation to statutory damages at present or higher levels); 4) completely voluntary use of the notice, the statute merely specifying a form of such notice.

We have chosen the second option for a number of reasons. First, it is the minimum change required. Second, the notice has been so long a part of our copyright scene that retaining it for the bulk of our national copyright output (works by U.S. natinals first published here) may be a justifiable basis for, in effect, discriminating against U.s. works. Insofar as librarians, educators, scholars and students may deal principally with materials of national origin, the informational value of notice can be preserved with respect to such materials. The question of whether to select some other options depends, in our view, upon the practical utility of the notice requirement to United States user communities.

- Manufacturing Clause

> Amend §601(a) to read: Except as provided by subsection (b), the importation into or public distribution in the United States of copies of a work of United States origin consisting preponderantly....

Commentary

While the present manufacturing clause creates a "two-tier" system, it is not one that is Berne compatible. The present tiers are based, not on the Berne concept of a published work's "national origin," but rather, on the U.C.C. consideration of an author's nationality or domicile. Further confusion arises from the current uncertainty about the clause's future. Obviously, if it expires on June 30, 1986, there will be no Berne problem. If it is retained in any form, Berne compatibility will depend on amending it to exempt works whose country of origin is any Berne state, other than the United States.

The language proposed here modifies the two-tier system in the present section 601 so as to make it Berne compatible by making the clause apply only to "works of United States origin." The other exemptions which are now in section 601(b) are left intact.

- Renewal of Copyright

> Amend Sec. 304(a)(1) to read: The requirements of this subsection shall not apply to works having as their country of origin a state of the Berne Union and which secured copyright in the United States in accordance with the requirements of the law at the time of first publication of such works.

Commentary

This proposal would remove the requirement for the filing of a timely renewal of copyright for works first published in a state party to the Berne Convention, or first published by a national of such a state in any other states (save the United States). No distinction is drawn for purposes of this exception to the renewal requirement between works of United States authorship and works of foreign authorship. Works which secured copyright by first publication in the United States would not benefit from this exemption and extension to the full 75 year term would require compliance with existing renewal formalities.

By exempting works having as their "country of origin" a Berne state, the obligations of the Convention would be satisfied at the expense of practical discrimintion against our own nationals. The practical effects of such a provision would require the most careful assessment by authors, publishers, their licensees and assignees. The renewal provisions of United States copyright law have served the funciton of permitting recapture of assignments of copyright by authors and their statutorily designated beneficiaries. Eliminating the renewal requirement for any class of authors raises questions as to the effect of bargains struck during the original term of copyright in anticipating of copyright renewal. Because the great bulk of copoyright commerce in the United States involves works of united States oraigin, this proposal would raise questions for courts to resolve only in a rather narrow class of cases.

This proposal would not modify in any respect the basic requirement applicable to Berne union works that they originally secured copyright in accordance with United States law in effect at the time of first publication. Thus, automatic extension of term for Unionist works would not apply to works which failed to secure copyright at first publication (as, for example, by failure to comply with formalities or non-eligibility). Such situations would be dealt with only within the procedures governing retroactive application of Berne obligations to works in the United States public domain.

Other alterntives are available, but each would require very careful scrutiny, particularly by author-publisher groups. First, the renewal provisions could be amended to eliminate their character as a formality (a pre-condition to continued protection) while *maintaining* the established consequences of the two tiered system for copyright ownership and contract matters. Second, it may be possible to rely upon Art. 18(3) of the Convention as justifying the maintenance of the present renewal system intact, without change. Under such an approach, the renewal requirements of the 1976 Act, limited in their effects to pre-1978 works, would be defended as a transitional regime under the discretionary authority of 18(3).

• Registration, Recordation, and Deposit: A Note

Article 5(2) of the Berne Convention requires, as a minimum obligation of member states, that the "enjoyment and exercise of ... rights [in works protected under the Convention] shall not be subject to any formality."

However, formalities may be applied to works originating in the country where protection is claimed -- in essence to "domestic works." At least two theories of interpreting the progibition on formalities are espoused: The WIPO GUIDE'S commentary, the Copyright Office, and many foreign copyright experts who participated in WIPO's June 1978 Experts Meeting consider the Convention means that the prohibition applies where the formality constituts a "condition ... for the right to exist" [WIPO GUIDE at 33] and that procedural or judicially-related requirements are not forbidden.

However, the private sector Ad Hoc Working Group concluded that registration and recordation as prerequisites to infringement suits are formalities prohibited by the Berne Convention, except where the country in which protection is claimed is the country of origin.

Under the first theory of interpretation, no legislation is necessary to bring United States law into compliance with Berne. (Registration as a mandatory formality for works published without notice of copyright is incompatible with Berne, but the amendments of the notice of copyraight provisions §§401-403, take care of this point.)

Under the second theory (the Ad Hoc Group's report), amendatory legislation regarding registration and recordation would be necessary. Obvious options include the following: 1) apply the requirements of recordation and registration as prerequisite to infringement suits only to non-Berne Convention works (i.e., to works of United States origin and non-Berne foreign works); 2) eliminate the requirements of registration and recordation as prerequisite to suit but encourage registration and recordation by retaining the procedural (prima facie effect of certificate) and remedial (statutory damages and attorneys fees) benefits, perhaps with further enhancements.

Both theories agree that Berne Convention adherence itself does not require any change in United States law as to the procedural and rememdial benefits of registrtion and recordation. Only their prerequisite to infringment suits is disputed.

Mandatory deposit for the benefit of the Library of Congress (section 407) is not incompatible with Berne. Depending upon the statutory change regarding notice of copyright, however, it may be necessary to strike the reference in section 407(a) to notice of copyright as the triggering mechanism for mandatory djeposit and substitute a system based upon publication alone or other criteria of national distribution or availability of a work. On the other hand, if notice of copyright is retained as a mandatory requirement for non-Berne works and there are inducements for Berne works to use a notice, then no change seems necessary in section 407 of the Copyright Act. .

No specific proposal has been made with respect to ameliorating any possible conflict between §411 of the 1976 Copyright Act and the Berne Convention. Apart from the fact that a clear conflict has yet to be established, the staffs preparing this document have concluded that any changes in the present system of induced, rather than forced, registration ought to be the subject of separate and careful considertion. The reasons for this conclusion bear mentioning.

A registration system has always been a part of our copyright laws and has long assured to any member of the public the realizable right to information about the existence, scope, ownership and exercise of copyright in intellectual materials. In shifting away from a formality based, coercive, registration system to a voluntary system, Congress was careful to provide material inducements for copyright holders to register. Adequate inducements will have to be provided to maintain the completeness and integrity of the registration system should changes to §411 be required for Berne adherence.

Further, although §408 establishing the system of deposit for the Library of Congress is compatible with Berne, the practical means by which the national library acquires much needed material is through registrations under §407 of the law. One of the tests which any proposal for changing the legal incentives for registration must pass is continuing to permit the Library of Congress to collect and preserve our national culture in a comprehensive, timely and economical fashion.

U.S. ADHERENCE

TO THE

BERNE CONVENTION

STATEMENT OF THE
RECORDING INDUSTRY ASSOCIATION
OF AMERICA

BEFORE THE SUBCOMMITTEE
ON PATENTS, COPYRIGHTS AND TRADEMARKS
OF THE
SENATE JUDICIARY COMMITTEE

June 16, 1986

INTRODUCTION AND SUMMARY

This statement is submitted by the Recording Industry Association of America, Inc. ("RIAA") for inclusion in the hearing record of the Senate Judiciary Committee's Subcommittee on Patents, Copyrights and Trademarks in response to the request by Chairman Mathias for views on the question of U.S. adherence to the Berne Convention for the Protection of Literary and Artistic Works ("the Berne Convention"). RIAA is a trade association of recording companies whose members are responsible for the creation and distribution of approximately 85 percent of the records and prerecorded tapes sold in the United States.

RIAA supports the principle of U.S. adherence to the Berne Convention, and commends the Subcommittee for its efforts to ensure that the question of Berne adherence receives the careful legislative scrutiny that it deserves. While it is not clear that Berne adherence would offer the U.S. recording industry any immediate benefit in terms of substantive legal protection for its products, RIAA believes that adherence would serve the long-term interests of record producers and the entire music community in combatting the global crisis of record and tape piracy.

On the question of how to bring U.S. law into conformity with Berne, RIAA believes that the following general principles should govern the implementing legislation:

- -- Don't turn a blind eye at U.S. incompatibilities;
- -- Don't let the implementing legislation become a Christmas tree for special interests; and
- -- Don't discriminate against U.S. works.

In light of these general principles, RIAA has reviewed the Copyright Office's draft discussion bill to implement Berne. As detailed below, RIAA wishes to record its disagreement with certain provisions of the bill and to express its preference for certain alternative approaches proposed by the Copyright Office. With minor amendments, however, RIAA is confident that the Copyright Office's draft provides a viable basis for proceeding to implement the Berne Convention.

This statement is divided into three parts. The first part discusses the advantages of Berne adherence from RIAA's perspective. The second part sets forth the general principles that RIAA believes should govern the implementation of Berne under U.S. law. The third part contains RIAA's detailed comments on certain aspects of the draft discussion bill.

1. Why RIAA Supports Berne Adherence

While it is not clear that Berne adherence would offer the U.S. recording industry any immediate substantive benefit for its products,[1] RIAA supports the principle of U.S. adherence to the Berne Convention because it believes that adherence would serve the long-term interests of the music industry and the entire copyright community. Specifically, U.S. adherence to Berne would:

-- Strengthen our position in combatting worldwide piracy. The Berne Convention is the oldest, most comprehensive, and most highly protective international copyright treaty in the world. Universal adherence to this treaty must be one of the goals of any international campaign to fight the growing epidemic of piracy. U.S. abstention from Berne is an anomaly which continues to hamper our efforts to encourage other countries to respect international norms of copyright protection. By joining the Berne, the United States would enhance its credibility and thereby strengthen its bargaining position in bilateral and multilateral copyright negotiations. U.S. adherence to Berne would be a small but positive step in the effort to encourage nonmember nations to strengthen their protection for U.S. works and ultimately to join the Berne community.

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[1] Some commentators have concluded that the Berne Convention does not require a member country to treat a sound recording as a protected work under its copyright laws. See WIPO, Guide to the Berne Convention ¶ 2.7 (1978) (hereinafter "WIPO Guide"). While we believe that sound recordings should be considered among the "literary and artistic works" covered by the Convention, and while any Berne member is certainly free to extend copyright protection to sound recordings (as many have), it is true that other multilateral treaties are more specifically tailored to protect the rights of record producers and performers, particularly the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations of 1961 ("the Rome Convention"), to which the United States is not a party, and the Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms of 1971 ("the Geneva Convention"), to which the United States is a party.

-- Enable us to benefit from the expertise of the Berne secretariat. Since 1893, the Berne Convention has been administered by a specialist secretariat in Geneva -- the World Intellectual Property Organization ("WIPO") and its predecessors. Over almost a century, WIPO has acquired a wealth of technical and administrative experience unrivalled by any other international copyright organization. In addition, because WIPO also administers the major international patent treaty, it has an incomparable breadth of expertise in intellectual property law generally. U.S. adherence to Berne would enable U.S. copyright owners and the U.S. government to take advantage of WIPO's invaluable resources in promoting international copyright protection.

-- Give us a voice in the most important world copyright forum. The recent withdrawal of the United States from UNESCO -- which administers the Universal Copyright Convention ("UCC") -- undoubtedly strengthens the case for Berne adherence. Although U.S. withdrawal from UNESCO does not technically affect our membership of the UCC, there can be little doubt that it will reduce our influence both within the UCC secretariat and the UCC at large. Today, therefore, it is all the more important for the United States to let its voice be heard as a full member of the most significant forum for resolving international intellectual property problems, especially at a time when the Berne community is grappling with the critical issue of modernizing international copyright law to meet the challenge of new technologies.

-- Eliminate the need for securing Berne protection through the "back door." Many U.S. copyright owners presently attempt to secure protection in the countries of the Berne Union by simultaneously publishing their works in the United States and in a Berne country. This so-called "back door" to Berne entails unnecessary expense, distorts rational business plans on the basis of extraneous legal considerations, and may complicate copyright infringement litigation in certain countries because of uncertainty over the meaning of "simultaneous" publication. Furthermore, widespread use of the "back door" to obtain Berne's benefits without accepting its burdens naturally causes resentment against the United States among other Berne members, calls into question our credibility among nonmembers, and hampers our efforts to bring more nations into the Berne community. U.S. adherence to Berne would enable us to enter by the front door and would encourage other nonmember nations to do likewise.

These are the most significant advantages of U.S. adherence to Berne as we see it. One caveat bears noting, however. RIAA's support for the principle of Berne adherence should not be construed as diluting its commitment either to continued membership of the 1971 Geneva Convention or to the possibility of adherence to the 1961 Rome Convention. As previously noted,[2] the recording industry has a vital interest in both these treaties. Thus, RIAA's support for Berne adherence is expressly conditioned on its understanding that the Berne Convention does not in any way preclude U.S. membership of these other treaties.[3]

2. General Principles Governing Berne Implementation

RIAA believes that certain general principles should govern the implementation of the Berne Convention under U.S. law. These general principles, which underpin our detailed comments on the Copyright Office's draft discussion bill, are as follows:

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[2] *See supra* n.1.

[3] We note that Article 20 of the Berne Convention permits member nations to become members, or maintain membership, of other bilateral or multilateral treaties, provided that such treaties either "grant to authors more extensive rights than those granted by the [Berne] Convention, or contain other provisions not contary to this Convention." It is up to each Berne member nation to judge whether these conditions are satisfied. *See WIPO Guide* at ¶ 20.2. As a condition of U.S. adherence to Berne, RIAA would seek the U.S. government's assurance that, in its judgment, the 1971 Phonograms Convention and the 1961 Rome Convention satisfy Article 20 of the Berne Convention.

-- Don't turn a blind eye at U.S. incompatibilities. RIAA is opposed to the fudging of any clear incompatibility between U.S. law and the Berne Convention. We believe that such fudging will inevitably come back to haunt us when we seek stronger protection for U.S. works in foreign countries. If we turn a blind eye to our own incompatibilities, how can we expect other nations not to do so too?

-- Don't let Berne become a Christmas tree for special interests. While we do not favor the enactment of implementing legislation that falls short of the Berne requirements, neither do we believe that Berne should be used as a pretext for making additional changes in U.S. law that are not required by Berne. We share the Copyright Office's view that the implementing legislation should change existing law "only where change is clearly required, based upon widely shared understandings of Berne obligations."[4]

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[4] Copyright Office, Implementing Legislation to Permit U.S. Adherence to the Berne Convention: A Draft Discussion Bill and Commentary 2 (Apr. 15, 1986) (hereinafter "Draft Discussion Bill") (emphasis in the original).

The legislation implementing Berne should not be allowed to become a Christmas tree for special interests pursuing their favored changes in the copyright law, whether required by Berne or not, thereby upsetting the carefully crafted compromise embodied in the 1976 Copyright Act and postponing perhaps indefinitely any hope of securing U.S. adherence to Berne.

-- Don't discriminate against U.S. works. The Copyright Office's draft discussion bill differentiates between works originating in the United States and works originating in other countries of the Berne Union on a number of issues, including notice and renewal. While we see no reason to quarrel with the conclusion of the Ad Hoc Working Group that Berne does not require a member nation to grant equal treatment to its own works,[5] RIAA is strongly in favor of equal treatment as a matter of policy. The injustice (and indeed absurdity) of unequal treatment for U.S. works under U.S. law is readily apparent. If the Berne standards are to be applied to foreign works, under U.S. law, how can we justify their denial to U.S. works? By the same token, if we seek to apply the Berne standards to U.S. works under the law of foreign nations, how can we explain (let alone justify) our refusal to grant them to U.S. works under our own law? Because it would be unjust at home and would damage our credibility abroad, RIAA opposes any discrimination against works of U.S. origin in the implementing legislation.

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[5] See Preliminary Report of the Ad Hoc Working Group on U.S. Adherence to the Berne Convention, Foreword at 5 (Dec. 1985) (hereinafter "Preliminary Report").

3. Comments on the Copyright Office's Draft Discussion Bill

RIAA applauds the Copyright Office for its initiative and hard work in drafting a discussion bill to implement the Berne Convention. Subject to the changes suggested below, we have no doubt that the Copyright Office's draft provides a viable basis for permitting U.S. adherence to Berne. The following comments address only those aspects of the bill that are of direct concern to RIAA and its members.

a. Retroactivity

Of the two alternative retroactivity provisions offered by the Copyright Office, RIAA favors

Alternative B, which would authorize the President by proclamation to extend a limited form of retroactive protection under U.S. law for foreign works originating in a Berne Union country in the event that such works had fallen into the public domain in this country prior to U.S. adherence for reasons other than the expiration of their term of protection. We note that retroactive protection under this proposal would be subject to important safeguards, including the right to continue "enterprises lawfully undertaken" in the United States prior to the extension of retroactive protection -- a provision which we assume would permit recording companies to continue to utilize foreign musical works which were in the public domain prior to such retroactive extension. We believe that this approach is a reasonable compromise of the competing interests of foreign copyright owners and domestic users.

By contrast, Alternative A, which would deny any retroactive protection to foreign works from Berne Union countries, is not merely of questionable compatibility with the retroactivity principle required by Article 18 of the Berne Convention, but is also flatly inconsistent with U.S. requests for retroactive protection of our own works by foreign nations with which we are currently seeking to establish copyright relations. We cannot expect other nations to grant retroactive treatment to our own works if we deny it to theirs.

b. Self-Execution

RIAA fully supports the Copyright Office's position that Berne should be given non-self-executing status, either by appropriate legislation or by reservation in the instrument of ratification. We agree that the paramount concern of the copyright community is "certainty and predictability."[6] Without an assurance that Berne is not self-executing, the recording industry would face intolerable uncertainty and unpredictability in its future business planning.

c. Moral Rights

Of the two alternative moral rights provisions offered by the Copyright Office, RIAA favors Alternative A, which proposes to "freeze" the law relating to moral rights as of the effective date of the implementing legislation, leaving the further growth of moral rights to future legislation or judicial development. In support of this position, we echo the conclusion of the Ad Hoc Working Group that existing moral rights law is compatible with Berne[7] and we draw attention to its comment that the mechanical license in section 115 of the existing Copyright Act -- which provides the basic framework for the recording industry's use of copyrighted musical works -- "contains an explicit recognition of the more important moral rights."[8]

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[6] Draft Discussion Bill at 12.

[7] See Preliminary Report, Chapter 6 at 1.

By contrast, Alternative B would establish a "right to claim authorship of" a copyrighted work even after the exclusive rights have been transferred by the author. While RIAA supports the right of authorship in principle and while its member companies provide authorship credit wherever practicable, we believe that Alternative B, without appropriate limitations, would place recording companies in unjustifiable jeopardy for failure to credit a copyright claimant whose identity was unknown or whose claim to authorship was in dispute at the time when their products were released.

d. Notice

RIAA is opposed to the Copyright Office's proposal to retain the notice requirement for U.S. works while abolishing it for works originating in other Berne Union countries, not only because this proposal discriminates in favor of foreign works, but also because we believe that a mandatory notice of copyright -- coupled with the possibility of losing protection for failure to affix the notice -- is an antiquated and unnecessary relic of past copyright statutes. However, even if the notice requirement were abolished with respect to domestic as well as foreign works, we expect that many RIAA member companies would continue to affix notice to their products on a voluntary basis, and therefore we have no objection to the Copyright Office's alternative proposal to create statutory incentives for the voluntary use of notice, *e.g.*, by giving notice certain evidentiary value against an innocent infringement defense or by making its use a basis for increased damages.

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[8] Id., Chapter 5 at 4.

One further technical point needs to be made. The Copyright Office bill proposes to add the words "except for Berne Convention works" to §§ 401-403 of the Copyright Act,[9] and it defines a "Berne Convention work," in pertinent part, as "a work that qualifies for protection in the United States under the Berne Convention."[10] Insofar as there is some uncertainty as to whether sound recordings qualify for protection under the Berne Convention,[11] the Copyright Office draft is insufficient as a technical matter to make clear whether sound recordings not of U.S. origin are exempt from the section 402 notice requirement or not. If the Copyright Office proposal were adopted, it would need to be amended to clarify what the Copyright Office presumably intended, _i.e._, that foreign sound recordings would be exempted from the notice requirement in the same way as other foreign works.

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[9] *Draft Discussion Bill* at 19.

[10] *Id*. at 4.

[11] *See supra* n.1.

e. Registration

RIAA opposes the Copyright Office's proposal to retain registration as a prerequisite to instituting a copyright infringement suit, for the following reasons. In the first place, we are not persuaded that the Ad Hoc Working Group was wrong in concluding that registration as a prerequisite to suit is incompatible with Berne as applied to works of foreign origin.[12] Secondly, we fear that a failure to deal with this apparent incompatibility under U.S. law might provide foreign nations with an excuse to retain or institute additional obstacles to the bringing of infringement suits under their laws, thereby making it more difficult for U.S. copyright owners to enforce their rights outside the United States. On this issue, therefore, we believe that any doubt on the question of compatibility should be resolved in favor of a relaxation of formalities, not only to avoid the appearance of incompatibility at home but also to strengthen our hand in enforcing our rights abroad. Accordingly, we favor the abolition of registration as a prerequisite to suit for U.S. and foreign works alike.

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[12] _See Preliminary Report_, Chapter 9 at 10.

COMMENTS BY SESAC REGARDING COPYRIGHT OFFICE DRAFT ON BERNE CONVENTION

The following comments on behalf of SESAC are directly responsive to the draft report prepared by the Copyright Office and do not purport to examine the issues of adherence to the Berne Convention in any other context. SESAC has consistently supported the ideals and spirit of the Berne Convention. SESAC further believes that adherence by the United States to Berne at this time to be a matter of first priority.

In general, SESAC supports the proposition that only those amendments to United States copyright law deemed **required** should be considered at this time. In addition, SESAC believes that the United States must not only accomplish adherence to Berne, but must do so in a way that states clearly to the international copyright community that it does so in a forthright manner that will allow U.S. representatives the future opportunity to occupy a position of strength and leadership. To that end, SESAC will identify those areas designated **desirable** in the Copyright Office draft which it believes should be included in the legislative effort to achieve adherence.

To facilitate comparison, SESAC's Comments use the identification used in the draft.

A. In accord with need for definition of origin of works.

B. The concept of retroactive application of Berne is believed not in the best interests of the United States. The primary objection is best illustrated by the draft language contained in Alternative B, and the Commentary. It holds the potential of needless and, perhaps, excessive litigation, particularly Section 4. Moreover, is not the **formality** of registration for extension repugnant to Berne? SESAC is in accord with Alternative A., which denies retroactive application of statutory copyright based upon U.S. adherence to Berne.

SELF EXECUTION - In accord with need to adopt statutory position that Convention is not self-executing to create specificity with respect to litigation.

C. No position taken.

D. No position taken regarding architectural works.

COMPULSORY LICENSES - The draft primarily addresses the compulsory license for jukebox. SESAC, during the process of omnibus revision, consistently opposed the principle of compulsory licenses. It remains opposed as a matter of repugnancy to the express grant of rights to authors in the Constitution.

MORAL RIGHTS - SESAC does not desire to express an opinion with regard to this issue because of the breadth and scope of the implications attached, which extend beyond Berne adherence and require more time and study than is presently available.

E. Abstain. It appears that a deeper examination of the notice requirement is in order. The draft Commentary is somewhat less than forceful as to its recommended option. If the primary purpose of the notice requirement is to put a potential user on notice as to possible infringement liability, then, in that event, the **minimum** change of option 2) creates a privileged status for works of Berne origin. Consideration might be given to further exploration of the remedy enhancement scheme with respect to the notice requirement.

MANUFACTURING CLAUSE - No opinion. May be moot after July 1, 1986.

RENEWAL OF COPYRIGHT - Abstain. SESAC recommends a thorough examination of the applicability of Art. 18(3) of the Convention to determine authority to retain renewal provisions as a transitional regime. It appears this approach is **minimal**, yet creates the fewest opportunities for complex litigation. Wherever distinctions between Berne works and United States works can be avoided, they should be avoided. Any return to a dual, or two-tier, system of copyright protection would be a step backward, rather than the sought after advance in protection to be obtained by adherence.

REGISTRATION, RECORDATION, DEPOSIT - The issue of formalities should be considered in total. The possibility of dealing with this most difficult of issues in the complete sense of procedural and remedy benefits to encourage compliance appears to provide the **least** disruptive, hence, **minimal** change necessary for adherence. All the formalities, when taken together, should be examined with regard to their future value, rather than their historical significance. One immediate observation would be to provide that no statutory damages will be awarded for **wilful** infringement, except by showing compliance with formalities. This would apply to **all** works, and would not result in statutory recognition of a two-tier system, which admittedly may cause a negative; or discriminatory effect on works of U.S. origin.

An examination of the methodology of adherence without creating distinctions resulting in a two-tier system should be the ideal goal of all concerned with joining Berne. After exhausting such examination, there remains the option of considering the less painful compromise between domestic considerations and the desire to gain adherence.

Respectfully Submitted,

SESAC, INC.

(Comments prepared by W. Robert Thompson, President, after consultation with Nicholas Arcomano, Vice President and General Counsel, and members of the SESAC staff)

CORRESPONDENCE

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Government Affairs
Department

April 29, 1986

The Honorable Charles McC. Mathias
Chairman, Subcommittee on Patents,
Copyrights and Trademarks
Committee on the Judiciary
U.S. Senate
Washington, DC 20510

Dear Mr. Chairman:

The Printing Industries of America appreciates the opportunity to provide our views on the issue of U.S. adherence to the Berne Convention. Our comments are limited to the effect of such action on Section 601 of Title 17, the Manufacturing Clause.

The action of April 24 by the Senate Judiciary Committee to approve an extension of the Manufacturing Clause (S. 1822) is seen by PIA as a step toward the general goal of the proposal contained in the draft discussion bill and commentary. Obviously, there are two major items of departure from that draft contained in S.1822 namely the non-tariff barrier test and the fact that Berne membership is not referenced by name. It would seem consistent with the spirit of S. 1822 and the Berne Convention that Berne members would qualify under the copyright protection aspects of S. 1822.

The inherent difficulty in changing Section 601 in the manner described in the draft is that the Manufacturing Clause has considerable trade implications for the printing industry which cannot be ignored. Further, under the proposal contained in the draft an author from a Berne signatory country could have a work manufactured in a non-Berne country thereby threatening the viability of the Berne protections. It seems to us that the Berne Convention totally ignores the irrescapable link among creativity, piracy and trade. It is not sufficient to say a creative work must be left unencumbered by other considerations. It would be much more suitable to use the Berne Convention as a means of limiting economic activity in those countries which pirate the works of others. To this extent a manufacturing requirement based on copyright protection would be completely appropriate.

Quite obviously, PIA supports the philosophy embodied in S. 1822 which suggests that a country should use whatever tools it has available to promote copyright protection and free trade. To that extent the Manufacturing Clause under S. 1822 would represent a considerable "carrot and stick" approach.

Sincerely,

Benjamin Y. Cooper
Vice President
Government Affairs

Columbia University in the City of New York | *New York, N.Y. 10027*

SCHOOL OF LAW

435 West 116th Street

5 May 1986

Dear Senator Mathias,

I have your letter requesting my views on several matters relating to U.S. adherence to the Berne Convention.

In brief:

1. If a treaty is self-executing, it is itself the law of the land, just as if its provisions had been enacted by legislation of Congress. Therefore, when called upon to do so, courts will give effect to the obligations assumed by the United States in the treaty.

If a treaty is not self-executing, it is not law of the United States for judicial purposes. Courts will not act to carry out the obligations of the United States under the treaty until Congress has enacted a law for the courts to enforce. If such legislation is delayed, the United States may be placed in default on its treaty obligations.

Some provisions in a treaty may be self-executing while others are not.

2. In general, it is in the interest of the United States (as well as of other states party to the treaty) that a treaty be self-executing. That makes it possible for the United States to use the courts to help carry out its obligations without delay.

3. Whether a treaty, or a provision in a treaty, is self-executing is ordinarily a matter of U.S. law, not of international law. Usually the question is decided by the courts when they are asked to give effect to a treaty as to which there has been no implementing legislation.

In general, courts will decide that a treaty, or a treaty provision, is self-executing if they are able to give effect to the U.S. obligation under it. Sometimes, however, it appears that a treaty or provision was intended not to be self-executing, i.e., that the U.S. intended to have its obligations implemented by legislation, not directly by the courts. In particular, courts will consider a treaty to be not self-executing if the President in negotiating or in concluding the treaty indicates that it will not be self-executing, or if the Senate gives its consent to the treaty on condition that it not be self-executing. The Senate might achieve the same result by requiring, as a condition of its consent to the treaty, that the President not ratify the treaty until Congress has enacted legislation.

4. Some of the provisions in the Berne Convention could apparently be given effect by the courts without any legislation by Congress. If the United States adhered to the Convention without addressing the matter, the courts would presumably give effect to those provisions even before Congress enacted any legislation. Other provisions in the Berne Convention could not be given effect by the courts until Congress acted.

5. The President (and the Senate) should decide whether it would be desirable to have the courts carry out those provisions that would be self-executing even before Congress acts to implement the other provisions. If it is decided that it would be better not to have any of the provisions carried out until all the provisions could be, the United States might proceed in one of the following ways:

a. The Senate might require the President to refrain from depositing an instrument of ratification or accession until after Congress has adopted necessary legislation. (The President could do that also on his own motion, without any requirement by the Senate.)

b. If there is reason to proceed to adhere to the Convention without awaiting legislation, the President, on his own motion or at the behest of the Senate, could indicate that the Convention will not be self-executing in the United States. In that event, although the United States will be bound immediately upon adherence, it will have a reasonable time to adopt the legislation to make it possible for the United States to carry out its obligations.

6. I stress that whether a treaty is self-executing or not, it is equally binding; in either case the United States is required to carry out its obligations under the treaty and is in default if it fails to do so. Therefore, rendering the Berne Convention not self-executing in no way diminishes the obligations of the United States under the Convention. If there is any unwillingness to carry out any provision of the Convention, or if there is any reason to believe that Congress will be unwilling to implement some provision, the United States should enter an appropriate reservation to that effect. Merely rendering the Convention non-self-executing will be of no avail.

If there is any doubt about the import of any provision, the U.S. interpretation could be indicated by an "understanding" communicated at ratification or accession.

8. Since the Convention does not address the rights of U.S. authors with domestic works, they will not be affected by the Convention whether or not it is self-executing. However, Congress could, by legislation, apply the provisions of the Convention as a matter of U.S. law to authors not covered by the Convention.

All good wishes.

Sincerely,

Louis Henkin

Louis Henkin

Senator Charles McC. Mathias, Jr.
United States Senate
Committee on the Judiciary
Washingon, D.C. 20510

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May 6, 1986

Hon. Charles McC. Mathias, Jr.
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Room 387
Washington, D.C. 20510

RE: United States Adherence to the Berne Convention

Dear Senator Mathias:

In accordance with your comments at the April 15, 1986 hearings on United States adherence to the Berne Convention, ASCAP wishes to comment in further support of adherence and, particularly, to respond to and correct for the record some statements of the Amusement and Music Operators Association (AMOA).

First, many of the statements of the AMOA purporting to describe the economic condition of the jukebox part of the coin-operated machine business are the kind of pure speculation that has time and again been rejected by Congress and by the Copyright Royalty Tribunal. The legislative, administrative and judicial record for decades shows that the jukebox operators have long claimed to be in "decline." They have never supported their claims with hard data. We believe that their claims are inaccurate and overstated.

More relevant to United States adherence to Berne was the discussion at the hearings of a "two-tier" approach. Under this approach, United States adherence to Berne would be made possible by modifying our law so as to grant the Berne level of protection for works of foreign origin, while giving a lesser degree of protection to works of American origin. Under the two-tier approach, works of American origin could still be subject to a compulsory license under 17 U.S.C. §116. However, works of foreign origin could not be subject to compulsory licensing, because Berne forbids such compulsory licensing.

ASCAP believes that the two-tier approach is ill-conceived in theory and would be impractical in operation. As a theoretical matter, America should not shortchange American creators, by making them second-class citizens in the world of copyright. Authors' rights should be administered even-handedly and an author's nationality should be irrelevant.

If the two-tier approach were implemented, however, the AMOA is incorrect in its claim that, under a two-tier approach, "each individual jukebox operator would be required to negotiate with each individual owner of a copyright of a work of foreign origin, if the operator wished to offer that work on his jukebox." (AMOA Statement, p. 3) The statement is incorrect.

Creators and copyright owners of musical works of foreign origin are members of foreign performing rights societies which license their repertories in the United States through the American performing rights organizations -- ASCAP, BMI and SESAC. Thus, if the two-tier approach were implemented, jukebox operators could obtain all the rights they need to perform works of foreign origin through blanket licenses from ASCAP, BMI and SESAC.

The AMOA's error is surprising because, five days before the hearings, we discussed this subject in detail with an AMOA representative who attended the hearings.

We would also note that the cost of blanket licensing for foreign works only, and of conducting some kind of survey of uses for policing or distribution purposes, would probably far exceed the license fees involved if a blanket license were issued for the entire ASCAP repertory, including both domestic and foreign works.

Finally, if the jukebox compulsory license were abolished to allow for United States adherence to Berne, ASCAP would, of course, negotiate in good faith with representatives of the jukebox operators, including the AMOA, to put in place a voluntary licensing system which would guarantee to the jukebox operators any reasonable safeguards they might require. The operators would have the same assurance of reasonable fees as all other users are guaranteed under the ASCAP consent decree.

With the recent successful voluntary arrangement with the AMOA -- which you helped achieve -- fresh in our minds, ASCAP is confident that a mutually satisfactory voluntary arrangement to abolish the compulsory license and allow United States adherence to Berne could be reached if the AMOA were again willing to sit down with ASCAP, BMI and SESAC.

We appreciate this opportunity to comment for the record.

Respectfully,

Bernard Korman

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BK:ib

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June 20, 1986

Hon. Charles Mc C. Mathias
Chairman
Subcommittee on Patents, Copyright and Trademarks
Committee on the Judiciary
United States Senate
Washington, D. C. 20510

Re: United States Adherence to the Berne Convention

Dear Mr. Chairman:

I write in reply to your letter of May 29, 1986 to express ASCAP's views on United States adherence to the Berne Convention, and the discussion draft of implementing legislation prepared by the Copyright Office.

As you know, ASCAP has, for many years, strongly supported United States adherence to the Berne Convention. We expressed these views formally in our statement before your Subcommittee at hearings on April 15, 1986.

The United States is the leading producer of works of intellectual property in the world. The export of American copyrighted works is an important and positive factor in our international trade. Its size and importance is continuing to grow.

It is, therefore, imperative for the well-being of our nation that we take a leading role in the international protection of authors' rights. Simply put, we cannot best play that role outside the Berne Convention.

The Berne Convention is the oldest, most respected and highest-level international copyright convention. The fact that we are not now a member is sometimes used to justify pirating works of American creators. When, for example, we sit down to negotiate with nations which condone piracy, we are told that our absence from Berne evinces a disregard for copyright in the United States, and that we should not hold others to a higher standard. While such piracy deserves full condemnation, there is, perhaps, a kernel of truth in that argument, and that kernel should be removed.

The world marketplace has placed an extraordinarily high value on works of American authors. It is regrettable that our own Copyright Law treats our authors less generously than the laws of all Berne countries.

The few provisions of our law which need be changed to allow for adherence to the Berne Convention have been analyzed in detail in the report of the Ad Hoc Committee on U.S. Adherence to Berne, and in the Copyright Office discussion draft. In our view there are three major impediments to United States adherence to Berne: the mandatory notice requirement; the manufacturing clause; and the jukebox compulsory license. We believe that these three impediments should be removed from the United States Copyright Law to allow for United States adherence to the Berne Convention. We think these changes are reasonable and appropriate.

We turn now to the discussion draft prepared by the Copyright Office to comment specifically on the jukebox compulsory license (17 U.S.C. § 116), an issue with which we have been intimately involved for decades. We think a brief recital of the history of the jukebox issue will place the matter in perspective.

As you know, the 1909 Copyright Act, in an anomolous provision written before jukeboxes were invented, exempted jukebox performances from liability. Jukebox performances became the only significant commercial performances of music for which creators and copyright owners were not compensated. For many years, we supported legislative efforts to abolish that exemption. As you have observed on a number of occasions, these bills had a mysterious way of disappearing somewhere between Committee consideration and enactment.

When copyright revision was being considered, we supported the early draft bills which removed the jukebox exemption entirely. We were prepared to negotiate with jukebox operators, through their trade association if they wished, as we do with all other users, and work out an agreement on realistic marketplace license fees that all could live with.

The jukebox operators, however, rejected the idea of arms-length bargaining. In 1967, they demanded and won a "compromise" -- a compulsory license for the use of all copyrighted music at the token initial annual fee of $8 per jukebox. ASCAP, BMI and SESAC agreed to accept the compulsory license with that token initial fee because the entire copyright revision effort would have been jeopardized if we had not.

When the 1976 Copyright Act was adopted, the jukebox compulsory license was included. Fortunately, Congress had the wisdom to include a mechanism for periodic review and adjustment of that compulsory license fee, through the Copyright Royalty Tribunal. After full rate adjustment proceedings, the Tribunal determined that a reasonable annual per-jukebox compulsory license fee was $50, and the court upheld that determination. Final Determination, Jukebox Royalty Rate Adjustment Proceedings, 46 Fed. Reg. 884 (1/5/81); AMOA v. CRT, 676 F.2d 1144 (7th Cir.), cert. denied, 459 U.S. 907 (1982)

Subsequently, the jukebox operators sought to achieve through legislation what they were unable to achieve previously either through the copyright revision bill, the Tribunal or the Court. They sought to abolish the existing annual fee for the compulsory license, and instead impose a one-time fee -- a buy-out -- of only $50 per jukebox. That effort would have undermined, in a radical way, the very basis of copyright protection for creative works -- the concept of a continuing royalty for continuing use.

Bitter though that legislative battle was, it ultimately resulted in the first promising sign in the long history of jukeboxes and copyright. At your suggestion, and through your encouragement and good offices, and those of Chairman Robert W. Kastenmeier of the House Subcommittee on Courts, Civil Liberties and the Administration of Justice, we were able to work out a voluntary agreement with the jukebox operators. We agreed to give up some of the revenues from compulsory license fees, in the form of rebates to jukebox operators who complied with the law. In exchange, the jukebox operators promised to encourage better compliance with the compulsory license, and to condition the rebates on improved compliance. And we also agreed to negotiate in good faith to resolve our differences over the proper compulsory license fee when the current fee expires.

We recite this history because it teaches two lessons relative to the jukebox compulsory license and Berne: First, we believe that no reasonable person can defend the compulsory license. It was an interference in the marketplace that was never needed. And, whatever "benefit" it might have conveyed to jukebox operators in their transition from an era of no copyright liability to one of full liability, it has now served that purpose.

Second, the agreement reached with the jukebox operators, under your auspices and Representative Kastenmeier's, demonstrates that we and the jukebox operators can reach mutually satisfactory, voluntary agreements. We do not need a compulsory license to do so. (Indeed, like all other users, the jukebox operators are guaranteed the availability of an ASCAP license, and at reasonable fees which, if necessary, will be court-determined, under the Amended Final Judgment in United States v. ASCAP.)

You asked for our suggestions on means of bringing United States Law into compliance with Berne. In light of the foregoing, we think the best course of action is the outright abolition of the jukebox compulsory license. In the same spirit of our agreement with the jukebox operators, we pledge to you and to them our willingness to enter into good faith negotiations which would allow them to secure all the reasonable safeguards they desire concerning voluntary licensing, at mutually agreeable license fees.

You also asked for our comments on the Copyright Office's discussion draft proposals. The Copyright Office proposed a modification of the present compulsory license, to allow for voluntary agreements which would take precedence over Copyright Royalty Tribunal determinations. If such voluntary negotiations were to fail, the compulsory license would be brought into play. This approach is similar to that of the current public broadcasting compulsory license (17 U.S.C. §118).

As a general matter, we believe that every compulsory license should allow voluntary agreements to take precedence over Tribunal determinations. Thus, we have great sympathy for the Copyright Office proposal.

We are concerned, however, that any continued existence of the jukebox compulsory license may not be compatible with Berne. We believe that the Ad Hoc Committee's Report was correct when it flatly concluded that Berne does not allow a jukebox compulsory license in any form. Thus, we have doubts that the Copyright Office proposal would be compatible with Berne.

If the Copyright Office's approach were deemed to be compatible with Berne, we see some problems with the draft proposal (found at pages 13-14 of the discussion draft).

First, the draft "limitation on exclusive right" (the first paragraph of text on page 13) does not adequately provide for the situation where some, but not all, of the performing rights societies reach voluntary agreement with the jukebox operators. The draft provision specifies that if voluntary agreements do not cover "the quantity of musical works substantially the same as were being performed on coin-operated phonorecord players during the year prior to the effective date of this act" -- presumably, the ASCAP, BMI and SESAC repertories -- then the prior compulsory license "shall be effective with respect to the musical works that are not the subject of negotiated licenses." But that prior compulsory license covered all copyrighted music. It is conceivable that one or two, but not all three, performing rights societies would reach voluntary agreements with the jukebox operators. In that case, there is no provision for, indeed, no practical way to, prorate the amount paid under the prior compulsory license to apply to the repertory of a performing rights society which does not achieve a voluntary agreement.

Further, in such a situation of partial voluntary licensing, the effect of that provision would be to place a cap on any voluntarily-negotiated license fee. The jukebox operators would know that, if they refused to reach agreement, the most they would have to pay would be the compulsory license fee payable under the prior compulsory license. That would be patently unfair to copyright owners of music, for economic circumstances might change and require a higher fee than the prior compulsory license fee. Indeed, it was just such a consideration which prompted the Senate to reject the jukebox operators' effort to freeze the statutory fee at the time of passage of the 1976 Act. Congress deliberately provided for a mechanism to modify the compulsory license fees as economic conditions changed, through the Copyright Royalty Tribunal.

The jukebox operators can also make this argument. They could be hurt if conditions changed to warrant a lower fee. A licensing organization then might fail to agree, knowing the compulsory license fee would continue to apply.

We also believe that the proposed modifications to Section 801(1)(B), at page 14 of the discussion draft, are ill-advised and would be harmful to copyright owners. The modifications would require the Copyright Royalty Tribunal, in considering one of the statutory factors determining the reasonableness of a rate -- whether the return to the copyright owner is fair -- to give "great weight" to two new factors: the rates in effect under the prior compulsory license and the rates contained in any voluntary agreement.

If embedded in the law, the first proposed factor -- the prior compulsory license fee -- would freeze for all time a fee determined only for particular economic circumstances. And that fee would not merely be a factor to be considered, but would be given "great weight". It is possible that, with intervening voluntary agreements, a compulsory license determination might not be made for twenty years after enactment of this amendment. Clearly, it would not be fair to copyright owners to force the Tribunal to consider and give "great weight" to a fee determined more than twenty years before.

We also see danger in forcing the Tribunal to give "great weight" to negotiated agreements. If one performing rights society made a bad deal, other copyright owners should not suffer as a result. And, as marketplace licensing has shown, the value of the repertories of the performing rights societies differ. ASCAP's repertory is valued higher than the repertories of BMI or SESAC in all marketplace licenses, and we should not be prejudiced by the voluntary rates charged by BMI or SESAC for their lesser repertories. These suggested modifications to 17 U.S.C. §801(1)(B) have no place in our law, under any circumstances.

In conclusion, then, we strongly support United States adherence to the Berne Convention as being in the highest national interest. We believe such adherence would require complete abolition of the jukebox compulsory license, to be replaced by voluntary arrangements.

We also strongly support abolition of the notice requirement and of the manufacturing clause, and have limited our comments largely to the jukebox issue because we who license performing rights in music are most familiar with that issue.

We appreciate the opportunity to make these comments and would be happy to supply any additional information which you think may be helpful to the Subcommittee.

Respectfully,

Bernard Korman

Bernard Korman

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NATIONAL PUBLIC RADIO

Office of the President

May 27, 1986

Honorable Charles McC. Mathias, Chairman
Subcommittee on Patents, Copyrights
and Trademarks
137 Dirksen Office Building
Washington, D.C. 20510

Dear Mr. Chairman:

During consideration by your Subcommittee of adoption of the Berne Convention there was no concern demonstrated that Section 118 of the Copyright Act, which provides a compulsory license for public broadcasters, is incompatible with the Convention. Moreover, the analysis of the U. S. Copyright Office does not raise this matter as a problem. However, the Ad Hoc Working Group of the State Department, in its Preliminary Report, has suggested that reproduction rights under Section 118 may be incompatible with the Convention. National Public Radio thinks all of Section 118 is fully consistent with the Berne Convention, and has filed a Comment on the Preliminary Report with the Ad Hoc Committee requesting that it clarify its Report to so reflect. For your information, we enclosed a copy of those comments with this letter.

We would, of course, be pleased to answer any questions you or your staff my have about this matter.

Thank you for your consideration.

Sincerely,

Douglas J. Bennet

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NATIONAL PUBLIC RADIO

May 19, 1986

Mr. Harvey Winter
Director
Economics Bureau
Room 3531A
Department Of State
2201 C Street, N.W.
Washington, D.C. 20520

Dear Mr. Winter:

On behalf of National Public Radio we offer the following comments on the Preliminary Report of the Ad Hoc Working Group on U.S. Adherence to the Berne Convention. Our comments address Chapter 8 of that Preliminary Report. We request that the Ad Hoc Working Group clarify the Report to reflect that all portions of the public broadcasting compulsory license in Section 118 of the United States Copyright Act are compatible with the Berne Convention.

National Public Radio (NPR) is a non-profit, noncommercial membership organization which provides interconnection and programming services to over 300 full-service public radio stations and which represents them in developing a viable and diverse public radio service to the American public. NPR and its member stations produce programming, as well as broadcast and distribute programs. Programming which NPR produces for use by public radio stations throughout the country include "All Things Considered," "Morning Edition," and "Weekend Edition." Member stations also produce hundreds of hours of varied programming broadcast throughout the United States. Production of these and other programs by NPR and its member stations currently relies heavily on the coverage, by the compulsory license in Section 118 of the Copyright Act, of both performing and reproduction rights. Just as the Ad Hoc Working Group determines that the public broadcasting compulsory license for performing rights is consistent with the Berne Convention, it should determine that compulsory licensing of reproduction rights under Section 118 is consistent with the Berne Convention.

A brief summary of how public radio programs are produced and distributed for broadcast may be helpful to the Ad Hoc Working Group in considering this matter. Public radio programs frequently include musical works: they may involve studio musicians, concert performances or pre-recorded works. Many individual stations operate under severe financial constraints, with limited funds available for program production. Economies of scale and the general quality of national programming are among the factors resulting in station reliance on programming produced by others to fulfill their local broadcast needs. Public radio producers, which include National Public Radio, American Public Radio, independent producers and public radio stations, generally syndicate programs for local broadcast by hundreds of public radio stations nationwide. Most frequently, satellite feeds are used to nationally distribute these programs. Individual stations must be given the right to tape these programs for future broadcast, after receiving them by satellite, to accommodate diverse programming goals and scheduling needs. This entire system of program production and distribution relies heavily on stations' ability to tape delay the broadcast of programming.

The compulsory license for recording rights under Section 118 allows this system to function without the need to individually license the use of musical works from recording rights holders. If public radio producers and distributors were required to secure these rights individually, continued operation of the current system would be severely jeopardized by the additional financial and administrative burdens this would entail. Reproduction rights are as integral to program production and distribution -- to the public having available public radio programming -- as are performing rights.

The Working Group has determined in its Preliminary Report that a compulsory license for performing rights under the procedures in Section 118 is consistent with Article 11 of the Berne Convention. NPR agrees with the analysis and supports the conclusion of the Working Group on that point.

The Working Group does not so plainly conclude that reproduction rights under Section 118 are consistent with Article 9(2) of the Berne Convention, but rather sets forth alternative findings that reproduction rights under Section 118 may or may not be consistent with Article 9(2). A direct conclusion that reproduction rights under Section 118 are consistent with Article 9(2) is in fact warranted.

Article 9 provides:

> (1) Authors of literary and artistic works protected by this Convention shall have the exclusive right of authorizing the reproduction of these works, in any manner or form.
>
> (2) It shall be a matter for legislation in the countries of the Union to permit the reproduction of such works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author.
>
> (3) Any sound or visual recording shall be considered as a reproduction for the purposes of this Convention.

Article 9(2) permits compulsory licensing for reproduction rights like that in Section 118 if the provisions of Article 9(2) are met. As the Working Group recognizes (as an alternative finding), it may be argued that the limited compulsory license for reproduction rights granted in Section 118, for a limited class of works and a limited class of users (public broadcasting entities) is a "special case" under Article 9(2), meets the tests of Article 9(2), and is therefore compatible with the letter and spirit of Article 9. This alternative finding of the Working Group is bolstered by the final recommendations which the Main Committee made to the Union in plenary session when the Berne Convention was being adopted. */ Those recommendations provide:

> 85. The Committee also adopted a proposal by the Drafting Committee that the second condition should be placed before the first, as this would afford a more logical order for the interpretation of the rule. If it is considered that reproduction conflicts with the normal exploitation of the work, reproduction is not permitted at all. If it is considered that reproduction does not conflict with the normal exploitation of the work, the next step

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*/ The comment "Compatibility of Section 118 of the Copyright Act with the Berne Convention" which the Public Broadcasting Service filed with the Working Group on May 14, 1985, at pp. 6-9 makes this analysis more fully.

> would be to consider whether it does not unreasonably prejudice the legitimate interest of the author. Only if such is not the case would it be possible in certain special cases to introduce a compulsory license, or to provide for use without payment. A practical example might be photocopying for various purposes. If it consists of producing a very large number of copies, it may not be permitted, as it conflicts with a normal exploitation of the work. If it implies a rather large number of copies for use in industrial undertakings, it may not unreasonably prejudice the legitimate interests of the author, provided that, according to national legislation, an equitable remuneration is paid. If a small number of copies are made, photocopying may be permitted without payment, particularly for individual or scientific use.
>
> 86. The Committee finally adopted the following wording for paragraph (2) of Article 9: "It shall be a matter for legislation in the countries of the Union to permit the reproduction of such works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interest of the author."

The Main Committee recommendation gives deference to legislation in the countries of the Union. In enacting Section 118 of the Copyright Act, Congress recognized the special case of public broadcasting entities and their special needs. See H.R. Rep. No. 94-1476, 94th Cong. 2d Sess., 117 (1976). Because public broadcasting production in the United States is so diverse and decentralized and because the system depends heavily upon the reuse of programs as described above, the application of Section 118 to reproduction rights particularly important. Further, as the Main Committee recommendation suggests, and the Working Group in its alternative finding recognizes, Section 118 is narrowly drawn. Also, compulsory licensing of reproduction rights under Section 118 has a small effect on exploitation by copyright owners of their works; such an effect is well within the example of Main Committee recommendation 85. Finally, as the Working Group determined in interpreting Article 11 bis, the compensation scheme under Section 118 is "equitable"; therefore rights of the copyright owner would not be "unreasonably prejudiced" within the meaning of Article 9.

Because the analysis is persuasive that the Section 118 compulsory licensing of reproduction rights is consistent with Article 9 of the Berne Convention, we respectfully request that the Ad Hoc Working Group clarify its analysis to eliminate its alternative view that the public broadcasting compulsory license for reproduction rights does not fit the "special cases" exception of Article 9(2), and specify only that it is consistent with that exception.

Sincerely,

Lois J Schiffer by CT
Lois J. Schiffer
General Counsel

Mary Lou Joseph
Mary Lou Joseph
Director, National Affairs

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BOOK MANUFACTURERS' INSTITUTE, INC.

June 9, 1986

Charles McC. Mathias, Jr.
United States Senate
Committee on the Judiciary
Washington, DC 20510

Dear Senator Mathias:

You have asked us for our views on U. S. accession to the Berne Convention.

We have no objection to the U. S. becoming a part of the Berne Convention.

We recognize that the manufacturing clause, which we support and wish extended by the adoption of S.1822 as revised, constitutes a "formality" and thus a technical violation of the Berne Convention. But since it is limited to American authors and "preponderantly non-dramatic literary material" in the English language and has many other restrictions to its application, we do not see it as a real impediment to the U. S. accession to the Berne Convention.

Dr. Arpad Bogsch, Executive Director of W.I.P.O., testified before your Subcommittee on May 16, 1985 and said that although the manufacturing clause was an impediment to the U. S. accession to the Berne Convention, he thought a solution could be worked out. As reported in Publishers Weekly, May 31, 1985, (enclosed), he also said the manufacturing clause has only a marginal effect on foreign writers and primarily affects U. S. internal treatment of authors.

On May 22, 1986, Mr. Ralph Oman, Register of Copyrights, testified before the House Judiciary Copyright Subcommittee that he did not foresee real problems if H.R.4696 were enacted into law insofar as accession to the Berne Convention was concerned. He felt the manufacturing clause problem was minor and would probably be acceptable to the Berne Convention. As you know, H.R. 4696 is a companion bill to revised S.1822.

We agree with Messrs. Oman and Bogsch that if the U. S. Congress and Government wishes to accede to the Berne Convention, the extension of the manufacturing clause as contemplated in revised S.1822 and H.R. 4696 should present no problem.

Please advise if you need any further information.

Sincerely,

Douglas E. Horner

Douglas E. Horner
Executive Vice President
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U.S. Should Join Berne Convention, Witnesses Tell Senate Group

A U.S. Senate subcommittee received wide-ranging encouragement May 16 to have the United States become a signatory to the Berne Convention, the premier international copyright body.

Witnesses told the Senate Judiciary Copyright Subcommittee that the United States would be in a much stronger position in its fight against piracy if it belonged to Berne, which has 76 member countries, and also would be in a better position to influence the handling of international copyright issues.

The U.S. Copyright Office raised some questions about conflicts between the Berne Convention and U.S. copyright law, but the executive director of the World Intellectual Property Organization, which administers Berne, said those differences were minor and not necessarily in conflict.

Barbara Ringer, former Register of Copyrights, who has long advocated U.S. membership in Berne, said Berne was superior to the 75-member Universal Copyright Convention, to which the United States belongs (52 nations belong to both conventions). She called the UCC a low-level convention that does not afford an opportunity for the U.S. to discuss unresolved high-technology issues and other matters. Berne, she said, "absolutely offers a better opportunity for us to discuss them."

Donald C. Curran, Acting Register of Copyrights, sounded the only negative note at the hearing, observing that the Berne Convention does not require the formal registration and licensing that U.S. law requires. And, he said, the requirement that a work for which a copyright is being sought be submitted to the Copyright Office is the source for the Library of Congress collection, probably the richest in the world. He endorsed United States membership in Berne, however, but said there were "areas where further study may be necessary."

Arpad Bogsch, WIPO director, said that the desire of the Berne members for the United States to join was so great that he did not foresee any problems with U.S. copyright laws. "I think you can count on a certain amount of flexibility," he said.

Bogsch did mention, however, the manufacturing clause that prohibits copyright protection for American-written books printed outside the United States. He noted that the clause was due to expire next year and that efforts already were underway in Congress to have the clause renewed.

Bogsch said if that happened, "I can see a solution, if necessary, in some cases." He said the clause has only a marginal effect on foreign writers and suggested that the Berne Convention would not be interested in U.S. internal treatment of its authors.

He noted that when the U.S. decided last year to drop out of UNESCO, the United Nations body that handles copyright issues, the country lost its only direct influence in international copyright matters. Its influence at present is limited to "back-door" influence, he said.

C. Michael Hathaway, deputy general counsel for the U.S. Trade Representative, also urged U.S. membership in Berne as a key factor in fighting piracy. The U.S. government already has run into trouble in trying to negotiate copyright issues with foreign governments, some of them members of Berne, he pointed out.

Hathaway said, "Those governments would have some grounds for questioning the sincerity of U.S. interests in 'adequate and effective' protection for copyrighted works, when we ourselves have not chosen to adhere to the Berne Convention. The issues we would like to focus on in the discussions could be confused if the foreign governments raise the reasons the U.S. has declined to adhere to the Berne Convention."

The same questions already arise in negotiations with countries that belong to neither Berne nor the UCC, Hathaway said. Many of the countries accused of piracy belong to neither. "Those officials often ask which convention is preferable or to which the United States belongs," he said.

"Those are difficult questions to answer when the United States is a signatory only to one of the conventions. In short, our negotiating position would be stronger if we could outline the provisions of each convention and indicate that we were prepared to adhere to both."

Donald Guido, Acting Patents and Trademarks Commissioner, said the Cabinet Council on Commerce and Trade is "unanimously convinced that adherence to the Berne Convention is extremely important to the future role of the United States in the worldwide information economy."

H.F.

(May 31, 1985) PUBLISHERS WEEKLY

nab

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National Association of Broadcasters

June 11, 1986

The Honorable Charles McC. Mathias, Jr.
Chairman
Subcommittee on Patents,
  Copyrights and Trademarks
United States Senate
Committee on the Judiciary
Washington, D.C. 20510

Dear Senator Mathias:

Thank you for requesting our comments for the hearing record of the Subcommittee on Patents, Copyrights and Trademarks regarding advantages or disadvantages of U.S. adherence to the Berne Convention.

While the NAB Copyright Committee is aware of the issues related to U.S. adherence to the Berne Convention, neither the Copyright Committee nor the NAB Board of Directors have acted either to endorse or refuse to endorse U.S. adherence to the Berne Convention.

Nevertheless, NAB is actively engaged in efforts to assist its membership in negotiating copyright protection and compensation in several international settings. In some instances, foreign governments have raised the issue of U.S. non-adherence to the Berne Convention as an obstacle to protection of U.S. copyrights and compensation for U.S. copyright holders.

Accordingly, NAB shares many of the concerns of its network members, some of whom have already testified before the Subcommittee (see e.g. testimony of CBS on April 15, 1986). Broadcasting are, by definition, both users of copyrighted works and owners of copyrighted works. Where the standards of copyright protection are low in foreign countries, international copyright protection would, indeed, be useful.

NAB has a continuing interest in this issue, and will keep you informed of any official NAB position on the issue.

Sincerely,

Edward O. Fritts

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June 12, 1986

Senator Charles McC. Mathias, Jr.
Chairman, Subcommittee on Patents,
Copyrights and Trademarks
United States Senate
Washington, DC 20510

Dear Senator Mathias:

This letter is in response to your letter of May 29, concerning the United States adherence to the Berne Convention.

Let me say at the outset that I do not see any advantage to the participation of the United States in the Berne Convention, but I do see some serious disadvantages. My objection is based on the difference in the theoretical foundations of American copyright law and the copyright law of most countries which adhere to the Berne Convention. In brief, the difference is this: the theory of American copyright law is that it is a statutory monopoly granted in the public interest; the theory of copyright law under the Berne Convention is that copyright is a natural law right of the author.

Adherence to the Berne Convention by the United States would inevitably lead in this country to a greater acceptance of the natural law theory of copyright. Consequently, the result will be to sever copyright from its constitutional moorings and lead to an enhancement of the copyright monopoly. One of the problems thereby created may be an incursion into the area of free speech, guaranteed by the First Amendment. (I am particularly concerned about the free speech aspects of copyright as I have just completed an article dealing with the problem, which has not yet been published, but which I shall be happy to make available to your staff if you so desire.)

Copyright law must serve the interest of three groups--publishers (or entrepreneurs), authors, and the public. For all its faults, American copyright law has done a remarkable job in achieving the proper balance between the interests of these three groups. But it has done so because of its constitutional basis, which, I venture to guess, is unique. The formalities of American copyright (notice and registration) have played a major role in achieving this balance. The Berne Convention disdains such formalities, and the participation of the United States in the convention will almost surely lead to the denigration of their role in maintaining the balance between the interest of the three groups that copyright law must serve.

If the United States joins the Berne Convention, that convention will become a part of American copyright law. The result will be an attempt to meld contradictory theories of copyright, to the detriment of what I call the American theory. The fact that Berne protection will not be available for United States works is no answer. The mindset that the Berne Convention creates will give those with a vested interest in copyright the upper hand in promoting their gain at the expense of the public's interest, particularly the right to have access to copyrighted works. My own view is that American copyright law has been expanded to the constitutional limits of Congress' authority to enact copyright legislation, and efforts to accomodate other countries may well cause Congress to exceed those limits with consequences that the framers of the Constitution never intended. It is easy to overlook the fact that the copyright clause is a limitation on, as well as a grant of, congressional power.

As you can see, my concern is not the immediate, but the long range, effects that joining the Berne Convention will have on American copyright law. I realize that my comments are conclusory in nature, and I will be happy to provide a more in-depth statement if that would be helpful.

Sincerely yours,

L. Ray Patterson
Professor of Law

LRP:as

WASHINGTON OFFICE

AMERICAN LIBRARY ASSOCIATION

BOX 54 • 110 MARYLAND AVENUE, N.E. • WASHINGTON, D. C. 20002 • (202) 547-4440

June 13, 1986

Sen. Charles McC. Mathias, Jr., Chairman
Subcommittee on Patents, Copyrights and Trademarks
Senate Judiciary Committee
Washington, D. C. 20510

Dear Sen. Mathias:

E. J. Josey, the Immediate Past President of the American Library Association, has referred for reply your letter of May 29 regarding U. S. adherence to the Berne convention.

Since the ALA Copyright Subcommittee will not be meeting until our annual conference in New York at the end of June, we will not have any opportunity to discuss your draft discussion bill. However, at this time, our views would be those articulated, April 15, by August Steinhilber when he testified on the Berne Convention before your Subcommittee as Chairman of the Educators' Ad Hoc Committee on Copyright Law, of which ALA is a member.

It is my understanding that the final report of the State Department's Ad Hoc Working Group on Berne is due this coming week. Since they are the experts on this issue, I believe that the ALA Copyright Subcommittee would appreciate having the benefit of the State Department's Working Group report before making any formal statement.

Meanwhile, I would simply add that I believe ALA would have no reason to oppose U. S. adherence to the Berne Convention, but we would certainly urge that there be implementing legislation with full consideration by the House and Senate to assure that all the legalistic jargon is fully understood by lay people who are among the majority of library users. It would be most useful if your Subcommittee could provide for background information a brief factsheet with a list of pros and cons contrasting the provisions of the Berne Convention versus the Universal Copyright Convention.

Sincerely,

Eileen D Cooke

Eileen D. Cooke, Director
ALA Washington Office

EDC/pm
CC: E. J. Josey

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STANFORD LAW SCHOOL, STANFORD, CALIFORNIA 94305

PAUL GOLDSTEIN
STELLA W. AND IRA S. LILLICK PROFESSOR
OF LAW

13 June 1986

Senator Charles McC. Mathias, Jr.
Chairman, Subcommittee on Patents, Copyrights
and Trademarks
Committee on the Judiciary
United States Senate
Washington, D.C. 20510

By: Federal Express

Dear Senator Mathias:

Thank you for your letter of 29 May inviting me to submit my views on aspects of United States adherence to the Berne Convention and, specifically, on the discussion draft of implementing legislation enclosed with your letter. The Copyright Office, working in cooperation with your Subcommittee's staff, has done an excellent job in preparing this discussion draft.

I have three general observations on the discussion draft. In order of importance, they concern: (1) The proposal to create a dual-level copyright system that gives foreign authors greater privileges than it gives U.S. nationals; (2) The question whether requiring registration as a condition to bringing an infringement action constitutes a procedural incident only, or a formality proscribed by Berne; and (3) The treatment of moral rights.

(1) Dual-Level System. It would, I believe, be mistaken for legislation implementing United States adherence to the Berne Convention to employ two standards -- one for foreign nationals, the other for U.S. nationals. The irony of the proposal is that in apparently seeking to chart the most politically feasible -- because most conservative -- route, the proposal recommends an approach -- favoring foreign nationals over U.S. nationals -- that should be political anathema.

The authors of the discussion draft could identify no country that "has found it desirable (or politically possible) to create a true dual-level copyright system." The reason seems clear. Apart from the political hazards of enacting legislation that will systematically prejudice constituents while benefitting foreign nationals, there is the simple fact that in the realm of copyright, where national uniformity is to be prized, it will rarely, if ever, make sense to have one rule for U.S. nationals and another for foreign nationals. Also, the proposal can only further complicate an already overly complicated copyright law.

(a) The Notice Formality. The essential mistake of a dual system is most evident in the case of the proposal for a dual system respecting copyright notice -- retaining the notice requirement for works of U.S. origin, but eliminating it for works originating in other Berne countries. This proposal entirely overlooks the threshold purpose of the notice requirement -- to inform prospective users that a work is subject to a claim of copyright. This purpose is served neither by the presence of copyright notice nor by the absence of copyright notice, but by the presence of a uniform rule within a nation's borders respecting whether or not notice is required. In the United States, one who sees a work that has no copyright notice on it can -- usually correctly -- assume that the work is not protected by copyright. In virtually every other country in the world, where notice is not required, one who sees a work without copyright notice will assume the work is protected by copyright.

The central requirement of a notice system that will secure the expectations of consumers is that it be uniform. Thus, if the Berne Convention allowed us to require that notice be put on all works, that would be fine. But if we seek to comply with Berne by taking only the smallest possible step, and thus continue to require notice on U.S. works, but exempt other Berne country works from the requirement, users will be deprived of the certainty that they presently have in the United States and in other countries. Looking at a work of U.S. origin and seeing the copyright notice, they can safely assume it is covered by copyright. But looking at a work of foreign origin that does not have notice -- and not necessarily knowing that it is a work of foreign origin -- they will have every reason to believe, mistakenly, that the work is in the public domain.

In short, I think that the user communities that this proposal purports to assist will in fact be disserved by a dual approach to the copyright notice formality. The uncertainty they suffer will, in any event, substantially outweigh the trivial benefits conferred by the information that the copyright notice contains.

(b) Manufacturing Clause. The two-tier proposal for the manufacturing clause is also mistaken, though not for the same reason as the two-tier approach to the notice requirement. Simply put, the manufacturing clause has never made any sense in terms of copyright policy, and no amount of modification of its terms will make it good copyright policy. It is a trade protection provision, pure and simple, and it would be better annexed -- if it is to be retained in any form -- to appropriate trade legislation.

(c) Jukebox Compulsory License. The proposed amendment, rejecting a two-tier system for jukebox performances seems entirely correct in concept. I have some reservations, though, with respect to whether retention of the present CRT ratemaking scheme comports with the Berne requirements. It seems to me that there may be a bit more steel in this proposal's reliance on the CRT than exists in the practice in other countries "of using governmental entities to broker or arbitrate disputes between collecting societies and users of copyrighted works." I would, however, support, as compatible with Berne, and as good policy generally, retention of the very creative, proposed antitrust exemption to facilitate negotiations between producers and users.

(2) Registration as a Condition to Infringement Actions. The division of opinion between, on the one hand, those who believe that the prohibition on formalities applies only "where the formality constitutes a 'condition . . . for the right to exist' . . . and that procedural or judicially-related requirements are not forbidden," and, on the other hand, those who believe "that registration and recordation as prerequisite to infringement suits are formalities prohibited by the Berne Convention, except where the country in which protection is claimed is the country of origin," is essentially a division in perspective. The first position accurately reflects the civil law perspective on authors' rights -- the philosophical approach that dominates Berne -- and recognizes that since authors' rights are rights conferred by natural law, it is inappropriate to place any conditions on the attachment of rights to a work; enforcement of the right, however, is a different and secondary matter. The second approach, taken by the Ad Hoc Working Group, accurately reflects the positivist approach to copyright taken in the United States, where it is an article of faith that there is no right without a remedy, and enforcement of a right is no less important than existence of the right.

Since the question presently before your Subcommittee concerns the steps necessary to bring U.S. law into line with

Berne's provisions and philosophy, I believe it is adequate to adopt the first approach -- registration as a condition for an infringement action is not a proscribed formality -- as consistent with Berne's requirements. (There is, of course, the entirely separate question whether registration as a condition to infringement actions makes good sense in terms of domestic copyright policy, entirely apart from the requirements for adherence to Berne. That is a separate matter that the Subcommittee may wish to take up at some point. I believe that the issue of adherence to Berne does not require that you consider it in this context.)

(3) Moral Right. The proposal makes good sense when, in the interest of paving the smoothest pathway to Berne adherence, it proposes we take a minimalist approach to moral right, and thus presupposes that existing state and federal law adequately secure moral rights for Berne purposes. I hope, though, that the legislative history surrounding the implementing legislation will make it clear that this is only a minimum level of protection of moral rights, and that adherence to Berne should not cripple further congressional efforts toward articulating moral rights in a way that will be consistent with the needs of artists, producers and users.

Specifically, I hope the legislative history will underscore the need for further articulation of moral rights at the federal level. I am less confident than is the discussion draft about the long-term desirability of relying on state law. Although a small handful of states -- New York and California may be two -- may have developed rules on moral right, I have no reason to believe that an integrated jurisprudence on moral right exists in the vast majority of states in this country, nor that, when the issue first arises in any of these states, that state will take an approach that is consistent with the approach the proposers now find satisfactory. Further, there is the persistent question of the extent to which state initiatives in the area will conflict with the preemption provisions of section 301 of the Copyright Act.

At the least, if this draft commentary is to become part of the legislative history, I would urge a change in the language of the first sentence in the third paragraph on page sixteen, which states, "we have proposed only a freezing of the law under T.17, intending to leave the further development, if any, of moral rights to state jurisprudence and legislation." Other passages in the commentary suggest that the intent was not to restrict this further development to state legislation, and I think that it would be desirable to have some additional language emphasizing the virtues of federal over state legislation for further development.

I hope that these comments will be of use to you and your Subcommittee as you continue with the important task of considering whether and how the United States should adhere to the Berne Convention. If this letter raises any questions, or if there is any other way in which I can be of assistance to your Subcommittee on this matter, I hope you will not hesitate to call on me.

With best wishes,

Cordially yours,

Paul Goldstein

PG/mmek

ADAPSO
THE COMPUTER SOFTWARE AND SERVICES INDUSTRY ASSOCIATION

JEROME L. DREYER
[illegible]

June 16, 1986

The Honorable Charles McC. Mathias, Jr.
Chairman
Subcommittee on Patents, Copyrights and Trademarks
Room SD-137, Dirksen Senate Office Bldg.
Washington, D.C. 20510

Dear Senator Mathias:

This is in response to your request for ADAPSO's views on United States adherence to the Berne Convention.

ADAPSO is the trade association of this nation's computer software and services industry. Its more than 800 member companies and industry provide the public with a variety of computer software and services including software for mainframe, mini-, and microcomputers, professional systems analysis, design, and programming services, network-based information services, and integrated hardware/software systems. ADAPSO member companies market their software and services worldwide and, thus, have a vital interest in the protection of their intellectual assets overseas.

ADAPSO supports United States adherence to the Berne Convention, particularly because the United States is no longer a member of the United Nations Educational, Scientific, and Cultural Organization (UNESCO), the organization which administers the Universal Copyright Convention (UCC). The United States is the leader in computer software and services, and if the United States is to exert its influence on the worldwide protection of this valuable intellectual property, it must be an active participant in the appropriate international fora.

In supporting adherence to Berne, ADAPSO presumes that computer programs are included as "literary works" within the ambit of "literary, scientific and artistic" works covered by the Convention. This was the finding of the Ad Hoc Working Group on U.S. Adherence to the Berne Convention as well as the World Intellectual Property Organization (WIPO). See Report of the Computer Software, 21 Copyright 146 (1985). In addition, the emerging international consensus is that copyright is an appropriate form of intellectual property protection for computer programs. See Keplinger, Legal Protection for Computer Programs: A Survey and Analysis of National Legislation and Case Law, UNESCO/WIPO/GE/CCS/2 (1984).

ADAPSO supports the Subcommittee's recommendation to freeze the current common and statutory law offering authors the equivalent of "moral rights." As it has stated elsewhere, ADAPSO opposes continuation of the "Manufacturing Clause" in any form. ADAPSO recognizes, however, that this matter is under consideration and that final Congressional action will be forthcoming in the very near term. With regard to formalities, ADAPSO concurs with the conclusions of the Ad Hoc Group that registration and recordation as prerequisites to infringement actions constitute formalities in contravention of Berne. ADAPSO would, therefore, support legislation eliminating the requirements of registration and recordation in favor of other inducements to registration and recordation such as statutory damages and attorneys' fees.

If ADAPSO may be of further assistance to you or your staff, please do not hesitate to call upon us.

Sincerely,

Jerome L. Dreyer

JLD/ct

CATA WASHINGTON OFFICE
COMMUNITY ANTENNA TELEVISION ASSOCIATION
P O Box 1005, Fairfax, VA 22030-1005 (703) 691-8875

June 16, 1986

Senator Charles McC. Mathias, Jr.
Chairman, Subcommittee on Patents,
Copyrights & Trademarks
Committee on the Judiciary
United States Senate
Washington, DC 20510

Dear Senator Mathias:

This is in response to your request that the Community Antenna Television Association (CATA) comment on proposed legislation to bring United States law into accord with the Berne Convention. CATA has for many years represented its member cable television system operators on the issue of copyright and welcomes the opportunity to comment on this legislative proposal.

The cable television industry has for the past several years been operating pursuant to a copyright law crafted after a long and often difficult negotiating process. CATA is concerned that any change may upset the delicate balance embodied in the present law between the private rights of programmers and those of the public. We refer to the testimony provided on April 15 of this year given to your committee by Edward A. Merlis, Vice President of Government Relations, National Cable Television Association, and concur in his observations and concern that adherence to the Berne Convention might have a deleterious effect on U. S. copyright policy. These concerns remain unresolved in our mind and unless and until a determination can be made that adherence to the Berne Convention will have no adverse impact on the established interests presently protected under U. S. copyright law, CATA urges that your committee not recommend any new legislation.

CATA appreciates the opportunity to assist you and your committee with consideration of this very important issue. Of course, we will be pleased to continue working with you in whatever way we can.

Sincerely,

Stephen R. Effros

Stephen R. Effros
President
Community Antenna Television Association

cata

SPA

Software Publishers Association

July 18, 1986

Honorable Charles McC. Mathias
United States Senate
Washington, DC 20510

Dear Senator Mathias:

Thank you for your recent letter enclosing the comments and proposed legislation, prepared by the United States Copyright Office, relating to U.S. adherence to the Berne Copyright Convention.

The Software Publishers Association, the trade association of the microcomputer software industry, is vitally concerned about strong protection of copyrights, both domestically and internationally, and we are pleased to participate in the subcommittee's review of the Berne Copyright Convention and provide our comments.

In brief, the SPA believes that U.S. adherence to the Berne Copyright Convention would be a positive and overdue step that would help create an even healthier climate for effective protection of copyright interests throughout the world. We agree with the thrust of the copyright office's recommendations of the legislative changes necessary to accomodate U.S. copyright law to ensure compatibility with the mandates of the Berne Convention. We support action by the Congress this year to approve a resolution of ratification and adherence.

The Software Publishers Association is a relatively new trade association, originally formed only 2 years ago in 1984 by twenty-five publishers of microcomputer software. The purpose of the SPA is to provide a specific focus on the needs and interests of the manufacturers of software for microcomputers.

Since 1984, the SPA has grown to include more than 150 firms, representing all of the major segments of the microcomputer software industry: business, home, entertainment, education, and vertical market. We represent well-known industry leaders, such as Apple, Ashton-Tate, Broderbund, and Scholastic, as well as small entrepeneurial enterprises, such as Rubicon Software, WallSoft, and Origin Systems.

Just as the SPA has seen rapid growth, so has the use of personal computers around the globe. With this expansion has grown the perception that computer software is increasingly essential to our nation's productivity, creativity and education. We believe that the software industry is also a source of American strength in international trade.

The design and production of computer software requires considerable skill, expertise, imagination and creativity. The software field is highly competitive, and today's state-of-the-art innovation is quickly yesterday's out-dated product. Fortunately, our industry is blessed with numerous innovators who are willing to take these risks and who are developing important new software products daily.

Because of this highly creative effort and the relatively short product life, protection of the creative rights of software manufacturers provided by the copyright laws is absolutely essential to the economic well-being of the computer software industry.Thus, a priority of the SPA is to push for greater copyright protection for our products and for greater enforcement of existing copyright laws. There is nothing that can stifle this fast-growing industry quicker and cause more economic harm than piracy, illegal copying, and other violations of copyrights.

In addition to supporting strong copyright laws and enforcement of those laws in the U.S., we are deeply concerned about international piracy and copying of computer software and the lack of international protection of our members' copyrights. Thus, we support U.S. government efforts in international arenas to emphasize the importance of protection of intellectual property, and to obtain greater commitments from other governments to protect intellectual property.

One obvious inconsistency with these laudable efforts by the U.S. government is our country's failure to join the increasingly important Berne Copyright Convention. Failing to join the Berne Convention but expecting protection overseas of the copyrights of American intellectual property interests can only adversely affect our interests. That position conveys the impression that we will not equally protect the copyrights of intellectual property interests from other Berne Convention countries.

The U.S. is one of the leading producers of intellectual property. We are also the only major developed country that has failed to sign the Berne Convention. By withdrawing from UNESCO, we no longer have the kind of protection offered by the Universal Copyright Convention. Simply stated, it is time to act. If we want to continue to exercise leadership in the area of intellectual property and enforcement, we can no longer afford to not be a signatory to the Berne Convention.

There is another particular benefit of ratification and adherence to the Berne Convention for the membership of the SPA. The Berne Convention takes a more informal approach to gaining copyright protection. As the copyright office document explains, there might be some modifications to the more formal requirements of the U.S. Copyright law, such as some of the registration, notice, and publication requirements. To the extent that compliance with some of the "formalities" can raise uncertainties and problems in new technology areas, any movement toward relaxation of these formal requirements that would adhere to the dictates of the Berne Convention would be a positive step for U.S. copyright holders.

With respect to the discussion of the various legislative steps needed to ensure conformity of U.S. law with the Berne Convention, we generally support the items discussed and foresee no problems for the microcomputer software industry.

In closing, we again want to express our appreciation for the opportunity to participate in this proceeding. You and your colleagues are to be commended for the thorough manner in which you are reviewing this important question. We hope your subcommittee will recommend to the full Senate at an early date the approval of U.S. adherence to the Berne Copyright Convention.

Sincerely yours,

Kenneth A. Wasch
Executive Director

University of Pittsburgh
SCHOOL OF LAW

July 18, 1986

Hon. Charles McC. Mathias, Jr.
Chairman, Subcommittee on Patents,
Copyrights and Trademarks
United States Senate
Committee on the Judiciary
Washington, DC 20510

ATTN: Vicki Seltzman

Dear Senator Mathias:

Thank you for the opportunity to respond to the legislative proposal to amend the U.S. copyright law to bring it into conformity with the Berne Convention standards.

It is quite understandable that the United States would now be considering the adoption of Berne Convention standards, despite the fact that it has many times before decided to reject them. The market for all products, but particularly for intellectual property products, is increasingly global. Future economic prosperity for the United States will likely be dependent on exports of intellectual property. International cooperation to enforce American intellectual property rights will, therefore, be increasingly necessary to attain this prosperity. To establish and maintain a preeminent role in the international community as to intellectual property rights, the United States will need to demonstrate its willingness to accommodate concerns of other nations, such as those that are embodied in the Berne Convention. It is not for me to say whether or not complying with Berne standards is an appropriate action. You have far better information than I have to make such a judgment.

My concern is primarily with how the changes necessary to comply with the Berne Convention will affect domestic copyright law. While the Copyright Office memorandum lucidly discusses a number of these changes, I will restrict my remarks to the proposal to add architectural works to the subject matter of copyright because this is the issue about which I have the most expertise and which I regard as the most potentially destructive of certain principles of copyright law that have developed over time in the United States.

As you well know, it has not been considered an infringement of architectural drawings to erect a structure depicted in those drawings (unless a nonfunctional monument) or to make a similar set of drawings from an examination of the erected structure. The structure is considered to be an implementation of the system depicted in the drawing, rather than being a copy or a derivative work of it. This principle, which is often traced back to the venerable Baker v. Selden case, has been a keystone of American copyright law, and is presently embodied in several sections of the copyright law (§§ 101 (definitions of "pictorial, sculptural, and graphic works" and of "useful article"), 102(b) (ideas, methods, etc. not within the ambit of copyright), and 113 (limiting the exclusive rights of copyright owners so that they have no control over the manufacture of useful articles from copyrighted drawings and the like).). If copyright is not to become the "catchall" intellectual property system for everything under the sun, one must draw the line somewhere, and the "utilitarian" line (i.e., whether works have utilities other than merely conveying information and displaying an appearance) has been a reasonably successful one for the past century.

One of the costs of constructing this line has been that some artistic works of a functional character have been unprotected. (My intellectual property students always find it hard to accept that "Fallingwater", the famous Frank Lloyd Wright house, is uncopyrightable.) Historically, the benefits of having the rule--which provides an important source of integrity to the copyright system and a meaningful basis upon which to differentiate it from the patent system, and which leaves room for competitive copying of functional works unless a patent has issued because of the truly inventive character of the innovation--have seemed to outweigh the costs.

Now, the current proposal to amend the copyright law to comply with the Berne Convention is not a proposal to bring all functional works within the subject matter of copyright, but only one group of them, namely architectural works. The Copyright Office proposal attempts to limit the scope of exclusive rights to artistic features, but it seems to me this will be difficult to do. Inadequate guidance is provided about the extent of functional feature copying that will be allowed. The two ends of the spectrum--protection of artistry and nonprotection of construction methods--are identified, but to guide the people who will have to make judgments in the world, some more guidance as to the center of the spectrum would be highly desirable. The Copyright Office has not provided a coherent theory about where to draw the line as to this center area.

It is worth pointing out that a theory of functional feature copying is also missing in other areas as well. With computer software (which was the first utilitarian work brought into the copyright field--so if you were worrying about breaching the utility line, it's worth observing that the copyright law lost its virginity on this issue in 1980), courts are finding it very difficult to abide by traditional copyright rules about nonprotection of ideas, methods, procedures, etc., when it comes to protecting software. (See the recent OTA Report on Intellectual Property Rights in an Age of Electronics and Information at 81, reporting that none of the software rulings discussed in that section is permitted under traditional copyright rules.)

The same kind of problem has also cropped up in the semiconductor chip design context. While there is some legislative history suggesting that copyright's substantial similarity test is to be carried over, there is also recognition that a lay observer impression test as to chip designs would be misleading, and in some places of the legislative history, it appears that some functional feature copying was to be permitted. Leo Raskind argues that as long as the new product is not a "knock-off" and there is some improvement in the new work, there will be no infringement. (See 70 Minn. L. Rev. 385-415.)

When copyright (or a copyright-like) law extends its protection to a functional work, questions are bound to arise about how to deal with something short of an identical "knock-off." So far as I know, no one in the United States has been able to come up with a coherent theory for functional feature copying that doesn't convert copyright into a very lengthy patent system. (A similar problem arises as to the raising of the originality standard for architectural works so that commonplace designs are not protectible. What about different (or obvious) combinations of old features? The chip law too has a raised originality standard, but what does it really mean?)

Part of the reason we lack a coherent theory for functional feature copying is that it is very hard to make any shift in a conceptual framework that one is so used to and that has worked so well for so long. It is also hard to admit to ourselves that change is happening and that the law has to change along with the times. (The error--if there was any--in the "CONTU Revisited" piece I wrote in 1984 was in assuming that the traditional copyright system was intact, when in fact it was in a process of transformation that not even Congress and the experts on whom it relied realized was happening.) This change was perhaps an inevitable result of John van Neumann's conceptual breakthrough which permitted computers to be made programmable. (The breakthrough was that data and machine design could be interchangeable because engineering instructions could be written and stored like data in computers; these instructions could then make the computer perform different functions without any hardware reconfiguration.) The primary danger of passing the architectural work amendment without having a coherent theory of functional feature copying is that Congress will be forcing the issue onto the courts without any guidance, thereby forcing them to make policy decisions that Congress should be making. They may make different decisions than Congress might have made. I think the OTA Report is right in predicting that there will be an increasing tendency to attempt to protect functional works through copyright, and that these works present some very difficult policy questions which should be answered by Congress and not deferred to the courts.

There are surely other ways to cut the copyright cake than Baker v. Selden would have us do, but we have grown so fond of this one way that it is difficult to see what the alternatives are, let alone what alternatives would be an improvement. I'll let you know if I come up with a good solution to this problem. Perhaps you will have better luck with it than I have had.

Sincerely,

Pamela Samuelson
Associate Professor of Law

PS:tls

RICHARD COLBY
ATTORNEY
19653 Valdez Drive
Tarzana, California 91356

June 2, 1986

Mr. Harvey J. Winter
Office of Business Practices
EB/IFD/BP - Room 3531A
Department of State
Washington, D.C. 20520

Dear Mr. Winter:

I am submitting this letter as my preliminary reply to the invitation from the Honorable Ralph Oman, Register of Copyrights, dated February 19, 1986, which I accepted by letter dated March 3, 1986 (copies attached), for me to submit my views on the Preliminary Report of the Ad Hoc Working Group on United States Adherence to the Berne Convention, prepared under the chairmanship of Irwin Karp. (And see Copyright Office Notice dated January 29, 1986. 51 Federal Register 3706. CCH Copyright Law Reports Paragraph 20,356.)

I would be remiss if I did not promptly acknowledge the brilliance of the Report. I found it particularly helpful in its analysis that we are only concerned with compatibility as to works of foreign origin.

I can best indicate my views by immediately addressing the question of copyright notice -- that is, whether the United States should no longer make notice a condition of copyright with respect to works of foreign origin, as it is under Sections 401 and 402 of the 1976 Act.

If, as a policy matter, a political decision is made to take the necessary steps to adhere to the Berne Convention, presumably we would eliminate copyright notice as a condition of copyright and either drop it altogether, or make it permissive and a condition of suit and of certain remedies for infringement, as with registration under Sections 411 and 412.

It is my opinion that copyright notice is valuable, in tracing owners and chain of title, when determining duration of copyright, and as a deterrent to infringement. It works admirably, particularly with the ameliorating effect of Sections 405 and 406, dealing with Omission of notice and Error in name or date.

Moreover, our colleagues abroad have by now gotten used to our requirements, and it is no longer, in my opinion, regarded as an "embarrassment" that the United States is the only major creator and consumer/user of copyright to have such a requirement. I can well remember the confusion abroad in the late 50's and early 60's, upon the coming into effect of the Universal Copyright Convention, as our friends learned to live with our system of copyright.

But that is behind us, and there is no longer such sharp disagreement between friends as there once was. Admittedly, this is a matter of opinion on which there can be different points of view, but it is an important factor in reaching a conclusion whether or not to retain notice as a condition of copyright in the United States.

I realize that there is a certain desire (or pressure) to adhere to Berne during or soon after the one hundredth anniversary of the Berne Convention, but that is no reason to take a wrong step at this time. For example, see page 224 (copy attached) of the Report on Intellectual Property Rights in an Age of Electronics and Information (Office of Technology Assessment of the U. S. Congress, April 1986).

I am persuaded that we should defer further consideration of Berne until we see draft legislation as to retaining copyright notice as a prerequisite to suit and remedies, with respect to works of foreign origin. I am firmly of the opinion that the United States should not abolish notice altogether.

I observe that in his prepared statement for the Senate Subcommittee on Patents, Copyrights and Trademarks, the then acting Register of Copyrights, the Honorable Donald C. Curran, did not then (May 16, 1985) recommend "any particular solution" (statement at page 20).

Notice is a mechanism that works without unfair or harsh result, here or abroad. It provides undenied and essential help (supplemented by the recordation system) when determining ownership of rights and, more importantly, knowing with whom to start negotiations when seeking a license. I frankly cannot imagine doing so in the United States without being able to rely on notice and our (permissive) system of copyright registration and recordation.

For copyright searching techniques in Europe, see my 1960 article, Legal Aspects of Motion Picture Production in Europe, 8 Bulletin of The Copyright Society of the U.S.A. 85 (1960).

I have reviewed the various Reports and Summaries of Proceedings of the Patent, Trademark and Copyright Section of the American Bar Association, since passage of the Copyright Act of 1976, particularly those which present arguments in favor of elimination of copyright notice. I am not persuaded by them, as I am persuaded by the 1982 Report, referred to below, as to the disadvantages of eliminating formalities such as notice.

I realize that our colleagues abroad have done without formalities as conditions to copyright for more than a hundred years, and perhaps are amused at our fears in this regard. Perhaps their ways would eventually be made to work here. However, I do not think that we should forgo a system that works for one that may not.

I am not persuaded that there are any important benefits to be gained. Disadvantages are set forth in the 1982 Report of Committee 302 of the Patent, Trademark and Copyright Section of the American Bar Association at its pages 148-52.

That report concludes on page 150 that "There is no practical advantage to U. S. adherence to Berne." The Report contains an excellent and comprehensive bibliography on the Berne question at 150-52. I attach a copy of the Report for your convenience. I do not necessarily endorse the whole Report, but enclose it for your information and especially for the bibliography. Undoubtedly, much has been written since 1982.

I agree with the conclusion of Chapter 7 of the Report of the Ad Hoc Working Group (copy attached) that the provisions of Sections 401 and 402 are incompatible with Article 5(2) of the Berne Convention.

Because the literature on the Berne Union is so voluminous, I do not know if my suggestion (to make notice a prerequisite to suit and certain remedies for works of foreign origin if, but only if, a decision is made to adhere to Berne) has been made before. Nor have I seen any draft legislation to amend the Copyright Act in this respect. If you know of such studies or articles, or such draft legislation, I would appreciate receiving copies for possible comment.

It would be my further recommendation that such a change in our domestic law only apply to "works of foreign origin," as defined in Article 5(4) of Berne (see the WIPO Guide to the Berne Convention at 35-38 and 181-82). I would retain the present, compulsory copyright notice provisions of the 1976 Act as to works whose country of origin is the United States.

I do not foresee any Constitutional question in applying different, discrete rules to domestic works and to works of foreign origin, thus making copyright notice a condition of copyright for United States works, but not for works of foreign origin. Such different rules would be reasonable in the circumstances and permit the United States to join the Berne Union without the need otherwise to change our copyright notice requirements.

This assumes that other hurdles to our joining Berne can be overcome. In passing, may I note that I agree with the Report's conclusion in Chapter 6 on Moral Rights that the protection of moral rights in the United States is now compatible with the Berne Convention.

I also do not comment further on the many other intriguing questions dealt with in the Report, for several reasons. One is that I am sure that you have been deluged with comments and do not need more; another is that I am anxious to get these preliminary comments to you as soon as possible.

And let us not forget the Universal Copyright Convention, a great, practical treaty of peace, which works and grows in membership and importance.

As indicated in my letter to Ralph Oman dated March 3, 1986, it was necessary for me first to complete my teaching commitment this Spring Semester to Pepperdine University School of Law at Malibu, California, where I teach Intellectual Property Rights as Adjunct Professor of Law.

I hope this letter is received in time to be included in the Appendix to the Final Report.

If possible, would you send me copies of other comment letters and related materials.

My kindest regards

Sincerely yours,

Richard Colby

Richard Colby

RC:bf

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SECTION OF PATENT, TRADEMARK AND COPYRIGHT LAW

1982
Committee Reports

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NOTE—The reports contained herein are not to be deemed to represent the opinion or views of the American Bar Association, or of its Section of Patent, Trademark and Copyright Law, unless and until adopted pursuant to the Bylaws of the Association and the Section.

COMMITTEE NO. 302 DAVID GOLDBERG, *Chairman*

INTERNATIONAL COPYRIGHT TREATIES AND LAWS

Scope of Committee: Copyright problems arising out of differences in the laws of various countries, including:

(1) the rights of United States citizens to obtain copyright protection in other countries and the rights of foreign authors to obtain copyright protection in the United States;

(2) the laws of foreign countries and of the United States relative to the rights of exportation and importation of copyrighted works; and

(3) the international conventions and treaties involving copyright.

In coordination with the Committee on Cooperation with Other Bar Groups, this committee cooperates with the A.B.A. Section of International Law.

SUBCOMMITTEE A J. MICHAEL CLEARY, *Subcommittee Chairman*

Subject 1. UNITED STATES ACCESSION TO THE BERNE COPYRIGHT CONVENTION.

NO PROPOSED RESOLUTION.

Past Action. Committee 302 has been studying the Berne Convention and possible United States accession to same since the passage of the Copyright Act of 1976. The 1979 report discussed several issues surrounding United States accession to Berne. In 1980, the Committee proposed a resolution recommending abolition of United States copyright notice requirements with a view towards accession to the Berne Convention. Committee 302's "notice" resolution was combined for consideration with a similar resolution by Committee 301 and was eventually approved by the Section at the 1980 Annual Meeting. (1980 SP83-R301-1).

Discussion. In 1981, the Committee once again considered U.S. accession to Berne. Generally, the Committee 302 studies have focused on the advantages of Berne adherence, such as bringing the United States into the world copyright community and dispensing with unnecessary and "archaic" formalities. Some members of Committee 302, as well as other prominent members of the copyright community, have noted a lack of attention to a number of pitfalls or negative aspects to Berne adherence. The task of this Subcommittee was to identify and attempt to "catalog" some of the principal concerns or disadvantages of Berne adherence, without attempting to resolve the problems raised, leaving that aspect for future committees. It should be noted that the prior studies have not involved a full discussion or "cataloging" of the positive aspects, which might be a fruitful topic for next year's committee. Moreover, the Subcommittee is not taking a position on Berne adherence, nor a position as to the validity of the listed negative aspects.

The Subcommittee also felt that it would be helpful to present to the entire Section, as part of this Subcommittee report, a bibliography of books and articles which deal with the Berne Convention, U.S. accession, moral rights and related questions.

The following list represents the principal concerns and disadvantages reviewed by the Subcommittee:

FORMALITIES

1. Elimination of formalities may make it more difficult to perfect and enforce copyright interests, as a purely voluntary copyright registration and document recordation system will not encourage the establishment of an adequate public record of copyright claims, and will eventually cause a loss of records valuable for their historical as well as legal significance.

2. The non-formality requirements of Berne may require elimination of the compulsory licenses which are a central feature of contemporary U.S. copyright law, such as cable copyright licenses, jukebox licenses and mechanical licenses for sound recordings.

MISPERCEIVED BENEFITS OF BERNE

3. Under Berne, a work still protected in its country of origin must be protected in all other Berne countries. Accordingly, U.S. works which are still protected in this country would automatically become protected in Berne countries upon U.S. adherence even if the work was previously in the public domain in a Berne country or countries. Conversely, U.S. adherence would automatically and retroactively revive many copyrights in foreign works which had been in the public domain in this country, creating numerous problems for those who had previously been dealing legitimately with "public domain" properties. (A new member of the Berne Convention may be flexible in providing retroactive protection for previously public domain works, but this will require action by Congress. See point 7, infra.)

4. One objective of Berne adherence is to produce uniformity in international copyright treatment. However, adherence to Berne would not necessarily lead to uniform treatment of all U.S. works in view of the "crazy quilt" pattern of protection resulting from adherence of different nations to different revisions (or portions of different revisions) of the Berne Union. For example, under Article 32, paragraph 1 of the Paris Act of 1971, relations between countries already members of Berne are governed by the latest text which has been accepted by both. Under Article 32, paragraph 2, a new member of Berne is obligated to apply the provisions of the Paris Act of 1971, while older members are entitled to apply only the provisions of the most recent act by which such other country is bound. The various versions and revisions of Berne are as follows:

September 9, 1886: Berne Convention (entry into force on December 5, 1887).

May 4, 1896: Additional Act of Paris (entry into force on December 8, 1897).

November 13, 1908: Berlin Revision (entry into force on September 9, 1910).

March 20, 1914: Additional Protocol of Berne (entry into force on April 20, 1915).

June 2, 1928: Rome Revision (entry into force on August 1, 1931).

June 26, 1948: Brussels Revision (entry into force on August 1, 1951).

July 14, 1967: Stockholm Revision (no entry into force of substantive provisions, but revised and incorporated in following revision; entry into force of administrative provisions in 1970).

July 24, 1971: Paris Revision (entry into force on October 10, 1974).

MORAL RIGHTS

5. The general language in which moral rights is expressed is ambiguous. Such terms as "honor and reputation of the author" are difficult to define and may lead to confusion as to the scope of rights protected.

6. Injection of the doctrine of moral rights into the U.S. copyright law may pose an unnecessary and expensive burden on copyright users who may never be certain what types of uses, even if licensed, constitute a moral rights violation. The doctrine of the inalienability of moral rights may be troublesome to users who do substantial adaptation of literary or musical works for different media. In this connection, the argument has also been made that, while foreign countries which extend moral rights have not experienced an undue amount of litigation on these issues, foreign authors may not be as litigious as U.S. citizens.

POLITICAL CONCERNS

7. Adherence to Berne would require revision of the U.S. copyright statute. Unlike the Universal Copyright Convention, Berne is "self-executing" so that once the United States accedes (with the advice and consent of the Senate), the Convention would be the supreme law of the land, *Missouri* v. *Holland*, 252 U.S. 416 (1920), and all conflicting provisions of domestic legislation would be superseded.

It would also be necessary to legislate conforming terms of protection. For example, the United States now protects works made for hire for 75 years following publication, but Berne requires a term of 50 years following the author's death except in special cases. Additionally, "moral rights" legislation, if such be found necessary, should provide that moral rights vest in an employer, whether or not a legal entity, and that the rights continue in such person or entity until the expiration of the economic rights.

8. The Berne Convention, like the Paris Convention, is becoming a tool of international activism tending to politicise previously non-political, intellectual property issues. Moreover, the Berne Union may be threatened by non-political differences of opinion over the scope, means and enforcement of copyright interests in a rapidly changing technological environment.

SUFFICIENT PROTECTION ALREADY AVAILABLE

9. There is no practical advantage to U.S. adherence to Berne since we can obtain all the advantages of Berne, and none of its obligations, through a simultaneous publication in a Berne country, particularly since the coming into force of the Paris Act of 1971 which removed serious doubts about whether U.S. works could obtain such Berne protection through simultaneous publication.

10. The Universal Copyright Convention provides sufficient minimum standards to protect U.S. works internationally. Most major countries are already UCC members.

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Responses From the American Institute of Architects to Written Questions Submitted by Senator Mathias

Would any of the following features be required with respect to architectural works in order to comply with Berne? Would you support such a provision as a matter of policy?

1. Should the copyright owner's rights in a building or other structure be limited to its esthetic features only or extend also to its functional or utilitarian aspects?

2. Should any protection of esthetic features of a building require as a minimum that such features not be staple, commonplace or familiar?

3. Should the consent of the owner of copyright in a building or other structure be required for the renovation, restoration or demolition of the structure?

4. Should the copyright owner's rights in a building or other structure be such as to prohibit the erection of a substantially similar second structure by "reverse engineering" of the first structure (e.g., from photographs or other depictions) without any direct copying of the plans or blueprints for the first structure?

5. Should two-dimensional representations of works of architecture (e.g., photographs, drawings, or audiovisual works depicting protected buildings) be deemed to be non-infringing copies of the works?

6. Should an architectural work be a "work made for hire" if it is specially ordered or commissioned under a written agreement where the architect is not preparing the work as an employee in the scope of employment by the other party?

THE AMERICAN INSTITUTE
OF ARCHITECTS

August 13, 1986

The Honorable Charles McC. Mathias, Jr.
Chairman
Subcommittee on Patents, Copyrights and Trademarks
Commitee on the Judiciary
United States Senate
Washington, DC 20510

Dear Senator Mathias:

In response to your request of July 23, 1986, we are pleased to have this opportunity to answer your questions on the proposal to bring the U.S. Copyright Act into compliance with the International Union for the Protection of Literary and Artistic Works (the Berne Convention). We think that this is a worthwhile effort and hope that our anwers may assist you in this endeavor.

As my assoicate, Mr. Christopher Wist, explained to Mr. Collins of the Subcommittee's staff, my response will have to be an informal opinion because we are unable to obtain an official reaction from our Board of Directors in the time frame required for your Subcommittee's work. Thus, it must be stressed that the opinions expressed in this letter are my own and should not be construed to represent the official position of the AIA.

First, I must plead ignorance concerning the Berne Convention and its details, although I generally know about its background. My comments will, thus, focus on the policy aspects of whether or not compliance with the convention will assist and encourage the free exchange of ideas as set down by our Founding Fathers in the U.S. Constitution.

The first through fifth questions posed in your letter are all premised on the same fundamental notion: that the owner of an architectural copyright possesses rights not merely in the plans and drawings for a structure, but in the aesthetic features of the structure itself. In light of this fact, it is clear that all five questions are governed by identical policy considerations. Therefore, I am providing a single general response which applies equally to each of the questions noted above.

The Constitutional mandate for all copyright legislation is derived from U.S. Const. art. I, sec. 8, cl. 8, which states that Congress shall have the power:

> To promote the progress of science and the useful arts, by securing for a limited time to authors and inventors the exclusive right to their respective writings and discoveries.

The present proposed language would produce precisely the opposite result, frustrating rather than fulfilling the Framers' intent by creating a "chilling effect" on architectural progress. The reasons for this conclusion are stated in detail below.

There are three aspects of architectural works: 1) ideas, (aesthetics); 2) media specifically designed to convey information regarding a structure, such as drawings and plans, and ; 3) "functional media", such as buildings, which serve a utilitarian purpose while simultaneously giving tangible expression to an architect's intellectural objectives. Currently, only the second of these three aspects is afforded copyright protection in the United States. The general public has benefitted, since this system permits the free flow of ideas which has given rise to many of the most admired examples of American architecture. The same results are by no means assured under the proposed changes implied in the questions. For example, the pleasing aesthetic unity presented by a New England fishing village would have been, at best, extremely difficult to achieve had someone possessed a copyright on white clapboard Cape Cod cottages and picket fences. A more modern example of this phenomenon is the multi-story hotel atrium, complete with glass elevators, skywalks, and hanging foliage. This concept, which is featured in, but not limited to, Hyatt Regnecy hotels, was originated by Atlanta architect John Portman and has "caught on" in a way that would not be possible under the proposed copyright system.

It is clear that the proposed language would encourage architectural homogeneity of quite a different sort. Architects would have a strong economic incentive to repeat their own earlier copyrighted work, in order to avoid the exposure to potential liability inherent in creating new, (and possibly infringing), designs. The aesthetic unity of a New England fishing village is the result of the free exchange of ideas. Under the proposed language, however, unity would be achieved not by free choice, but out of fear of litigation. The present system permits architects to experiment by incorporating new stylistic ideas developed by others, but expressed in each architect's own and different way into their drawings. The end result is often a structure which is distinctly different but similar to its predecessor. It is also worth noting that the proposed system could have a significant negative impact on the widely lauded concepts of stylistically homogeneous neighborhoods and regional architecture, since it would encourage the work of individual architects, rather than geographic areas, to become similar.

A further problem with the proposed language is that it blurs the distinction under United States law between copyright protection (protecting the written or graphic expression of an idea) with patent protection (protection of the idea itself or its physical manifestation). This is most evident in Question five, which asks whether "two dimensional representations of works of architecture" should be deemed to be "non-infringing copies." It is not the nature of the representation, but the source thereof which is of prime importance in determining whether infringement has occured. In any event, no useful purpose is served by the erosion of this distinction. In fact, such erosion could lead to unnecessary confusion in an already complex field of law. Under these circumstances, an architectural copyright owner's rights should continue to extend only to the plans and drawings for a structure, and not to any features of the structure itself.

Question six asks whether an architectural work should be a "work made for hire" if it is specially ordered or commissioned under a written agreement where the architect is not preparing the work as an employee in the scope of employment by the other party. This should be the result only if the contract between the parties expressly provides so. Otherwise, an architect would be precluded from ever repeating himself or herself, since the building owner would also own the copyright to the structure. If the proposals set forth in Questions one through five were also adopted, the effect on the profession would be devastating.

It will be recalled that under those proposals, the only completely safe course for an architect to pursue would be to repeat his or her own prior, copyrighted designs. The effect of the proposal in Question six would be to foreclose even this limited source of inspiration to the architect.

I hope that the foregoing answers will be of help in your efforts to bring U.S. Copyright law into compliance with the Berne Convention. If I or any member of my staff may be of further assistance to you in any way at all, please do not hesitate to call. Thank you once again for this opportunity to participate in the legislative process.

Sincerely,

Dale R. Ellickson

Dale R. Ellickson, Esq., AIA
Senior Director, Documents Program